Daily Report

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CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

CARIBBEAN

Cuba

Alarcon Blames U.S. for Withdrawal Suspension *[Mexcio City NOTIMEX]* 1
Bilateral Ties Discussed With Shevardnadze *[Havana Radio]* 1
More Coverage of Workers Federation Congress 1
Review of First Day *[Havana TV]* 1
Union Fees, Working Women Discussed *[Havana TV]* 1
Castro Attends Second Day *[Havana TV]* 2
Castro Speaks *[Havana TV]* 2
Construction Group in Nicaragua Viewed *[Havana Radio]* 3
More on Construction Brigade *[Havana TV]* 3
Argentina Willing To Sell Wheat If Asked *[Mexico City NOTIMEX]* 4
Havana Radio Explains Need for Bread Rationing 5
$36 Million Trade Agreement Signed With Uganda *[Havana Radio]* 6
89 Cuban Students Evacuated From Azerbaijan *[Havana Radio]* 7

Barbados

Economy Up; Bank Credit Still Tight *[CANA]* 7

Haiti

Avril Says State of Siege To Be Lifted *[Havana TV]* 7
State of Siege 'May' Be Lifted *[Bonaire Radio]* 8
Minister Romulus Explains Government Measures *[Port-au-Prince Radio]* 8
'Banished Leaders' May Return After Elections *[Bonaire Radio]* 9
LE MATIN Reports Manigat, Others Arrested *[LE MATIN 24 Jan]* 9
More Leaders Sought; Radios Stop Reporting News *[LE MATIN 24 Jan]* 10
Only One Independent Paper Reports Local News *[LE MATIN 25 Jan]* 10
Arms Confiscated; Ministry Cancels Meeting *[LE MATIN 25 Jan]* 10
More Weapons, Munitions, Manuals Confiscated *[L'UNION 24 Jan]* 10
Deadline for Surrendering Illegal Arms Issued *[Port-au-Prince Radio]* 11
Pro-Avril Demonstration Held in Miragoane 24 Jan *[Port-au-Prince Radio]* 11
Manufacturers Association Condemns Measures *[LE MATIN 24 Jan]* 11
L'UNION Article Calls for Dialogue, Trust *[L'UNION 24 Jan]* 12

Jamaica

Bank Closes Foreign Exchange Market for Week *[CANA]* 12

Trinidad and Tobago

Trade Unions Call Off Sugar Strike *[CANA]* 13

MEXICO

2 Killed in PRI, PRD 'Armed Confrontation' *[Mexico City TV]* 14
PRD Members Wounded in Clash With Police *[NOTIMEX]* 14
Salinas de Gortari Leaves for Portugal Visit *[NOTIMEX]* 14

CENTRAL AMERICA

Costa Rica

Panama's President Endara Holds News Conference *[San Jose Radio]* 15
Government Orders Contra Treatment Clinic Closed *[ACAN]* 17

El Salvador

President Cristiani Comments on FMLN, UN Trip *[San Salvador Radio]* 17
Merino on FMLN Lack of Fighting Capability *[EL MUNDO 15 Jan]* 18
Ponce on Possible Upcoming FMLN Offensive *[San Salvador Radio]* 18
Lawyers Seek To Revoke Warrants in Jesuit Case *[LA PRENSA GRAFICA 23 Jan]* 20
Prosecutor Rejects Request *[ACAN]* 20
Commander Denies Army Divided on Jesuit Case *[DIARIO DE HOY 20 Jan]* 20
Labor Leader Reports 256 Arrests Since November *[ACAN]* 21

Nicaragua

Opposition Denounces Electoral Fraud Process *[ACAN]* 21
Poll Reveals 'Considerable Lead' for Ortega *[Managua Radio]* 21
Managua Press Election Review for 20, 21 Jan *[LA PRENSA 20 Jan, etc.]* 22
Official Says Army Retired 15,000 Men in 2 Years *[Hamburg DPA]* 23
Contras Reportedly Kidnap 80 Coffee Pickers *[Managua Radio]* 23

Panama

Endara Thanks Bush for Requesting Aid *[ACAN]* 23
Endara's Speech *[Panama City Radio]* 23
Ministry Issues Communique on Asylum Seekers *[Panama City Radio]* 24
Former Colonel Luis Cordoba Reportedly Arrested *[LA PRENSA 26 Jan]* 25
Former Community Development Official Arrested *[CRITICA LIBRE 24 Jan]* 25
Comptroller Discloses Foreign, Internal Debt *[CRITICA LIBRE 24 Jan]* 25
Deputy Planning Minister Discusses Debt Problem *[Panama City Radio]* 25
Media Coverage of Economic, Banking Activities *[CRITICA LIBRE 17 Jan, etc.]* 26
Split Within Government Parties Denied *[Panama City Radio]* 27
Communique on Use of Funds by Former Presidents *[CRITICA LIBRE 24 Jan]* 27
Politician Views Delay in Assembly's Installation *[Panama City TV]* 28
Acting Mayor of Colon District Resigns *[LA ESTRELLA DE PANAMA 22 Jan]* 28
Journalist Accuses Cuba of Subversive Activities *[EL SIGLO 25 Jan]* 29
Paper Demands U.S. Indemnification for Citizens *[EL PANAMA AMERICA 23 Jan]* 29
LA PRENSA Article Criticizes Intervention *[20 Jan]* 30
Editorial Questions Peruvian President's Stance *[EL SIGLO 24 Jan]* 30
Editorial Says 'Pull Out Torrijist Weeds' *[CRITICA LIBRE 23 Jan]* 31

SOUTH AMERICA

Argentina

Menem Schedule, Cabinet Meeting Topics Reported *[TELAM]* 32
Defense Minister's Background, Goals Outlined *[TELAM]* 32
Tourism, Intelligence Secretaries Replaced *[TELAM]* 33
Joint Power Projects With USSR Announced *[TELAM]* 33

Bolivia

Government Denies President Will Go to Chile *[La Paz Radio]* 33
March Interparliamentary Meeting Postponed *[La Paz Radio]* 33

Colombia

U.S. C-130 Reportedly Overflies Air Space *[Bogota TV]* 34
'Extraditables' To 'Hand Over' Explosives *[Hamburg DPA]* 34
Armed Forces Commander Responds to FARC Plan *[Bogota Radio]* 34
Leftist UP Registers Presidential Candidate *[Madrid EFE]* 34

Paraguay

National Narcotics Directorate Head Sworn In *[ULTIMA HORA 24 Jan]* 35

Peru

Diplomatic Presence in Panama Will Continue *[Lima TV]* 35

Uruguay

Paraguay's Rodriguez on Reelection, Waterway *[Asuncion ABC COLOR 25 Jan]* 36
Sanguinetti Comments on Talks With Rodriguez *[Asuncion ABC COLOR 25 Jan]* 36
Sanguinetti Interviewed at Presidential Residence *[Asuncion TV]* 36
President-Elect Lacalle Interviewed in Montevideo *[Asuncion TV]* 40

Cuba

Alarcon Blames U.S. for Withdrawal Suspension

FL2601022990 Mexico City NOTIMEX in Spanish 2241 GMT 25 Jan 90

[Text] New York, 25 Jan (NOTIMEX)—Ricardo Alarcon, the Cuban ambassador to the United Nations, reiterated today that only the United States is responsible for the suspension of the withdrawal of Cuban troops from Angola.

After meeting with UN Secretary General Javier Perez de Cuellar, the Cuban ambassador said they need assurances—actions, not words—that the nearly 18,000 combatants who are still in Angola will not be attacked.

Alarcon added: The National Union for the Total Independence of Angola (UNITA) continues to launch attacks and the conflict in Angola still continues only because the United States allows it.

With the treaties it signed with Angola and South Africa—which were endorsed by the United States and the Soviet Union—Cuba agreed to gradually withdraw its troops from the African country.

The announcement of the suspension of the withdrawal of the Cuban troops—which is to be completed by June 1991—was made in the wake of the 21 January UNITA attack that claimed the lives of four Cuban soldiers.

Alarcon said Cuba has already publicly stated, since August 1989, that the withdrawal would be suspended if there were new attacks.

The Cuban diplomat added that the United States is seeking to sabotage the agreements it helped to bring about. He said the attack occurred too far from parallel 13, which the UNITA forces—which are supported by the United States and South Africa—were not to cross.

The incident, he said, did not take place in a war zone, and the UNITA forces moved into that area only to attack the Cuban internationalists.

Alarcon added: I do not know if they are truing to destroy or to undermine the agreements, because the United States should know how Cuba will respond. He added that these very agreements provided for the suspension of the withdrawal if Cuban troops were attacked.

He said: We are not making any propaganda. We are just holding responsible the only country that persists in giving material support and very sophisticated weapons to UNITA.

Bilateral Ties Discussed With Shevardnadze

FL2601002390 Havana Radio Reloj Network in Spanish 2109 GMT 25 Jan 90

[Text] Eduard Shevardnadze, member of the CPSU Politburo and Soviet foreign minister, has met with Cuban ambassador to Moscow Julio Camacho Aguilera.

In an atmosphere of comradeship, the Soviet foreign minister and the member of the Politburo of the Communist Party of Cuba exchanged views on bilateral relations and current international issues.

More Coverage of Workers Federation Congress

Review of First Day

FL2501182290 Havana Tele Rebelde Network in Spanish 1200 GMT 25 Jan 90

[Text] The 16th Cuban Workers Federation [CTC] Congress will continue today with its second day of activities. The delegates who are meeting at the Karl Marx Theater in this capital will continue their debates in plenary sessions until 28 January, the closing date of the congress. The great event of the Cuban workers began yesterday. During the afternoon, five work committees held their meetings. One of the committees carried out its activities at the Karl Marx Theater and was presided over by Pedro Ross, chairman of the organizing committee of the congress. In that group, several delegates from various provinces discussed issues related to attention to youths in the working force, the Association of Innovators and Efficiency Experts, and Youth Technical Brigades.

Simultaneously, there were also discussions by the committees in charge of analyzing attention to the working woman, the defense of the fatherland, and the sugar harvest and voluntary work. Other analyses by the delegates dealt with artistic and literary creation, international solidarity, the foreign debt, and the operation of the CTC and its unions.

In each committee, the debates were extensive and democratic, and their resolutions will be presented to the plenum of the CTC Congress, which is composed of over 2,500 workers.

Union Fees, Working Women Discussed

FL2501182090 Havana Tele Rebelde Network in Spanish 1246 GMT 25 Jan 90

[Excerpts] As you know my friends, the 16th congress of the Cuban Workers Federation [CTC] was officially opened yesterday at the Karl Marx Theater. The opening was attended by our Commander in Chief Fidel Castro Ruz and Raul Castro. We have a summary of the first day of work. The congress will last 5 days. Yesterday, the first day of the congress, the five work committees held their meetings. From today on, there will only be plenary meetings during which the agreements reached by these committees will be approved. [passage omitted]

Committee No. 3, which met at the CTC Lazaro Pena Theater, discussed contract workers, payment of trade union fees, and everything related to cadre policy. Also debated here were the issues related to the search for new work methods and styles, so the trade union organization can be closer to the base. It was concluded that it was not necessary for the trade union and the administration to have a similar organization. The important thing is for the organization to be more functional and for the workers to feel truly represented. Thus, they want the trade union to fulfill its role as a basic unit of the economy. An important agreement the committee reached was to make the payment of trade union fees mandatory. In this sense, it was decided that even those who take leave without pay must pay at least a minimum fee.

In the discussion on regulations and statutes, Jose Ramon Machado Ventura, member of the [Communist Party of Cuba Central Committee] Politburo, pointed out that the current operation of the trade unions and the elimination of old methods are indicators that reflect the good progress of the rectification process in Cuba.

[Begin Machado recording] We must mention the theories that were used at the beginning when the management system began to operate. All those theoretical matters were out of context and reality, as experience has shown. Many of these things have been discussed because, deep down inside, there was a certain underestimation of ideological work, work with men, and everywhere. It was believed that everything was solved at the level of the enterprise. Yes, everything was solved. Well, I cannot interpret it any other way. However, life later showed what these beliefs were, and they were later criticized, giving rise to the process of rectification in all aspects of economy. It was believed that everything was solved at the level of the enterprise. That was an illusion. When problems needed to be solved, it was done through the mechanisms, which have been criticized so much. A representative from the enterprise and one from the trade union would sit down to discuss and agree on matters. They would discuss whether or not to increase, decrease, or modify things; and then these decisions would be applied. These decisions were advantageous to those who made them, but not to others who may not have given or had the opportunity to give their opinions. Things were a bit formal at the time. Therefore, these decisions were made, but experience has shown us their consequences. There was no attention to people. That is why we emphasize here the role that the province and the cadres must play. There are no structures that give authority to the cadres. Let that be clear. We can come up with 17,000 structures here, but the authority of the cadre is the authority the cadre already has through its work, contacts, proposals, firmness. We should not think that a structure by itself will solve problems. [end recording] [passage omitted]

Committee No. 4, which is in charge of discussing the working woman, attention to family, and the defense of the socialist fatherland, met at the Military Technical Institute. Here, 398 delegates met, and their first subject of discussion was the working woman. The discussion included a review of the general objectives of the CTC in relationship to the full use of women and their greater access to management posts. Among the proposals approved for discussion and study by the CTC was the subject of allowing men to have leave without pay when the woman is in a more useful position and has greater responsibility than her partner.

[Begin unidentified speaker recording] This is the example given by the comrade: She is a pediatrician; she has an important job. She would fall behind in her profession if she spends 1 year without working. However, if her husband is a driver, or anything else, his job may not have the same importance as his partner's job—even though his job may be useful to society. So, who decides which of the two in the family will not work for 1 year? In many countries, the woman takes the first 6 months, and the husband takes the second 6. This is what the Federation of Cuban Women is discussing. However, we wanted to say that in cases like the example we just gave, men are not given the option to take leave. We should analyze this. [end recording]

Other matters dealing with the better distribution of child care centers, their hours, especially on Saturdays, and attention to female agricultural workers were also subjects of discussion. [passage omitted]

Castro Attends Second Day

FL2501160090 Havana Tele Rebelde Network in Spanish 1451 GMT 25 Jan 90

[Text] Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba Central Committee and president of the Councils of State and Ministers, is presiding over the second day of work of the 16th Cuban Workers Federation [CTC] Congress, being held at the Karl Marx Theater.

During the first day, the participants of the CTC Congress met in five committees dedicated to important subjects such as attention to working youths, the sugarcane harvest, foreign debt, international solidarity, and defense of the socialist fatherland.

Over 2,000 delegates are attending the most important meeting of our country's workers, including 720 women, 36 national work heroes, and 529 people who fulfilled internationalist missions. The main report to the congress will be discussed in a plenary session today.

Castro Speaks

FL2601034890 Havana Television Service in Spanish 0100 GMT 26 Jan 90

[Remarks by President Fidel Castro Ruz to delegates of the 16th Congress of the Cuban Workers Federation, CTC, gathered at the Karl Marx Theater in Havana on 25 January—recorded]

[Text] We have placed high hopes in all these things that we are doing, slowly. It is not a question of doing everything in a hurry. There is already a contingent in the area of communications, as the comrade said. There is already a contingent in a construction materials enterprise, because one cannot apply these criteria everywhere.

There are other sectors in which we should also organize contingents. We are doing things slowly so everything can be done well. Now, contingent workers are the best-fed workers in the country, they are the ones who rest better or those who rest in better conditions, they receive all kinds of medical care. I would say they are among the healthiest people in the country.

What Palmero [head of the Blas Roca Calderio contingent] said reflects some things I discussed with him, some things that I told him. There are some wormoids [gusanoides] out there, some wormoids in some circles who are ultimately against the revolution, who are hurt by the good things achieved by the revolution. These are the ones who complain if there are no houses, or if there is a shortage of something. When the country begins to apply measures and methods to solve a large number of problems, and when we start to work the way we should, then they begin to fabricate things. These are people who generally do not work; these people—who do not work—are hurt every time the revolution does something. If we create family doctors and if this strengthens the revolution, then the fabrications begin; if we create contingents, then they start to fabricate things about the contingents, they look for negative sides to the contingents, as if this effort was not being made by humans.

Do not forget the cost of a revolution, which cost something more than efforts. It costs blood; it costs lives. If the revolution demands that we sweat, then we ought to be happy, because this is the lowest price we can pay for a revolution, that is, our sweat. To defend the revolution we must be willing to give our lives, the lives of thousands, of tens of thousands, of tens of millions of human beings. Those who want the revolution weakened seek to put the revolution at the mercy of imperialism. How much would a weakened revolution cost, that is, if it is ideologically weakened, if it is politically weakened? Millions of lives, because a revolution brings so much justice to the peoples that even it makes many mistakes. There are always millions of people prepared to defend it. [applause]

Construction Group in Nicaragua Viewed

FL2501211690 Havana Radio Rebelde Network in Spanish 1800 GMT 25 Jan 90

[Text] The experiences of the Jose Marti contingent that is building houses in Nicaragua were also presented to the delegates by Comrade Jacinto de Armas, who exchanged views with Commander in Chief Fidel Castro after setting forth the results. Jacinto also pointed out the difficulties encountered and talked about the completed houses.

[Begin recording] [De Armas] Another thing I wish to say is that when we got there we were not looked on well by the opposition. We were attacked strongly by the press. Now that we have finished building the first houses, now that we have completed the building of the houses, they go by and just stare. Even though this is a very complicated project, we must admit the houses are very pretty.

[Castro] But you are working with the help of the Nicaraguan people. I believe they are participating in the construction of the houses. How many Nicaraguans are helping you?

[De Armas] There are 403 Nicaraguans working with us.

[Castro] But you were receiving enough supplies for 1,000 persons. Now it turns out that there are only 800 of you working. Am I correct? There are (?400) Cubans and 400 Nicaraguans.

[De Armas] That is correct.

[Castro] And they are also working really hard?

[De Armas] Yes, they are. They are there to stay with us.

[Castro] And those who are working there have already been given their house?

[De Armas] They have received houses and they continue to work with us. [end recording]

The 16th CTC [Cuban Workers Federation] Congress, which will conclude on 28 January, will continue its work to complete the points set out for today in the work agenda.

More on Construction Brigade

FL2501215590 Havana Tele Rebelde Network in Spanish 1800 GMT 25 Jan 90

[Excerpts] Commander in Chief Fidel Castro is presiding over the second day of the 16th Cuban Workers Federation [CTC] Congress, which is being held at the Karl Marx Theater in this capital. We now report to you on the second work day of this workers' event. [passage omitted]

[Begin recording] [Pedro Ross, chairman of the organizing committee of the 16th CTC Congress] Do you have anything else to say?

[Castro, interrupting] Do you have a doctor there?

[Jacinto de Armas, delegate for the construction brigade currently in Bluefields, Nicaragua] We have a doctor in the camp. However, in the town, we have a medical brigade.

[Castro] A medical brigade. How is the food for the personnel?

[De Armas] The personnel's food is the best, Commander, in every aspect.

[Castro] Good.

[De Armas] And we have a bakery which....[starts laughing and the audience also laughs]

[Castro] You have a good bakery, right? What? Was your bread also rationed? [starts laughing] Or are they consuming bread by the pound?

[De Armas] No....

[Castro, interrupting] The ship supplies you, right?

[De Armas] Yes, the ship does supply us. But what I wanted to report was the big difference between the bread we bake there and the bread baked here. It is such good quality....[rephrases] I am already criticizing. [audience laughs]

[Castro] Where did you get the bakers?

[De Armas] The bakers were from (Toyo).

[Unidentified speaker] (?They) were taken from the best bakery in Havana. [audience laughs]

[De Armas] We have two bakers and one confectioner. The bakery only has two....

[Castro, interrupting] Do you have an idea of how many grams of bread you are consuming daily?

[De Armas] We are eating six rations, lunch....

[Castro, interrupting] Breakfast, morning snack, lunch, afternoon snack, dinner, and evening snack.

[De Armas] The evening snack for those who work.

[Castro] Do you have chocolate there?

[De Armas] Yes, we have chocolate and those things.

[Castro] So, you have everything.

[De Armas] The only the thing we are missing....

[Castro, interrupting] Do you buy some items locally? [Words indistinct]

[De Armas] We buy [words indistinct] that also supplies us, but we also buy fresh items.

[Castro] Fresh items?

[De Armas] Yes, fresh items such as meat....

[Castro, interrupting] Do you also buy fish there?

[De Armas] Commander, we buy fish, but the problem is that sometimes there are too many people selling it. So, sometimes you have to be careful because the fish they sell may be a little bit bad. Therefore,....

[Castro, interrupting] [Words indistinct] You have good fish. You have a lot of fishermen.

[De Armas] Yes. That region is very....[rephrases] We have also eaten our shrimp on two occasions.

[Castro] Yes. That region also breeds shrimp.

[De Armas] Commander, I was telling you....

[Castro, interrupting] Do you also feed the Nicaraguans who work with you?

[De Armas] We give all the Nicaraguans who work with us their food quota. We also give them dinner.

[Castro] But you were receiving supplies for 1,000 and now it turns out that there are 800, right?

[De Armas] Yes.

[Castro] There are 800 Cubans and 400 Nicaraguans.

[De Armas] Yes.

[Castro] They are also working hard, right?

[De Armas] Yes, they would [word indistinct] with us there.

[Castro] Yes. And how were the first houses distributed? What method was used?

[De Armas] Well, the houses were given to the comrades who worked there in the housing project. We thought it would have been a great problem, but it wasn't. There were 60 houses. There was a lot of talk about this. It was said that the houses were for the leaders. However, President Daniel Ortega went there [word indistinct] and gave a pretty good speech, in which it became clear that all the houses were for the people.

[Castro] Have the people who worked there already received their houses?

[De Armas] They have received them and continue working with us. [end recording]

Argentina Willing To Sell Wheat If Asked

FL2501171890 Mexico City NOTIMEX in Spanish 1610 GMT 25 Jan 90

[Text] Buenos Aires, 25 Jan (NOTIMEX)—Argentina is willing to sell wheat to Cuba if the Havana government asks for it. This was said by the chairman of the organization regulating foreign trade of grain in this country.

Guillermo Moore de la Serna, head of the National Grain Board (JNG) of Argentina, told NOTIMEX: We will study any request carefully but with pragmatism.

The question was prompted by Soviet delays in the delivery of wheat committed to Cuba for 1990. The delays forced the Cuban Government to implement initial measures rationing bread.

Moore de la Serna noted the solidarity with Latin America shown by Argentina, but said there is also great

solidarity with our own people. Therefore, a decision regarding a possible sale of wheat to Cuba would be made balancing the two aspects.

Nevertheless, he highlighted the existence of a more liberal foreign trade policy in Argentina. He noted that the economic situation of the world has changed and a situation, such as the one seen today with the sale of Soviet wheat to Cuba, is an economic reality that must be ultimately taken into account.

Argentina is one of the main wheat producers and exporters in the world.

Havana Radio Explains Need for Bread Rationing

FL2501164590 Havana Radio Rebelde Network in Spanish 1012 GMT 25 Jan 90

[Text] Regarding the recent information released by the Council of Ministers Executive Committee on the need to adopt certain measures to regulate the price and consumption of bread and eggs, GRANMA has heard from many readers who wish to express their concern, make suggestions, or just expand on the matter. Most of the readers are asking why the price of bread is being increased in the provinces when it could be rationed in Havana, where it is sold freely. First things first.

Rationing of bread in the capital city, where there are approximately 500,000 families, would mean going back to 1985 and 1986 when 50 percent of the bread made, approximately 200,000 pounds of bread a day, was being sold at several hundred grocery stores. The matter was further aggravated by the fact that there were not enough bakeries in the city, and the bakeries we had were not in the best working condition. Packages of bread were being distributed throughout the city and most of it had been baked the night before, resulting in a substantial loss in quality. Instead of getting the established 100 grams of bread per capita, the consumer was getting only 85 grams. Studies carried out in several municipalities proved that some consumers were getting even less. This will give you an idea of how much was being wasted in raw materials and work.

Since then, and as a result of many complaints received from the people, a plan was drafted and implemented. The plan called for bread to be sold at bakeries—there were approximately 60 bakeries and 148 new ones were opened—and the establishment of 23 purchasing facilities throughout various municipalities until new bakeries could be built. Between 1988 and 1989, 24 new bakeries were built by the mini-brigades and an additional 22 are scheduled to be completed before 26 July. Approximately 86 of these bakeries operate 2 or 3 shifts and are baking a wide variety of bread. Political work is also done with those involved in this activity to radically change the idea the people had about the poor quality of the bread produced.

The perfect indicator of this plan's positive results is that in the 1987 progress reports presented by the people's government delegates, there were 1,116 complaints about the quality of bread and services offered by the bakeries, whereas only 468 complaints were received in 1988 and 368 in 1989. However, this does not mean that we are satisfied with these figures or that we are not aware that we must continue to struggle to give better service to the public, meet the sales schedules, regulate the varieties of bread, and include new varieties at several bakeries.

In addition, obstacles of a practical nature would arise if rationing is implemented in the capital city. The biggest obstacle can be explained quite easily: we would have to go back to the days when 400,000 pounds of bread were being distributed each day. We are currently distributing 650,000 sacks of bread each day for use at restaurants, schools, hospitals, and other centers. Ninety percent of this bread is currently sold at 183 bakeries and only 10 percent is sold at grocery stores. If this system were to be changed, we would incur additional expenses, such as packing and transportation. There is no need to explain what the return to the old system would mean for the quality of the product. Meanwhile, and even though this is not strictly applicable to the rest of the provinces, the demands for a progressive liberation of the product that began in the late sixties and early seventies slowly decreased. Back then we were producing 575,000 pounds of bread a day, whereas today we are producing 400,000 pounds a day.

We must stress that the City of Havana is the province with the lowest rate of consumption per capita. City of Havana Province is currently consuming 76 grams of bread per capita. The 5-centavo increase for 400 grams of bread—the price went from 15 to 20 centavos—has not been accepted well by some of the residents of the capital city. This is almost a logical reaction. Throughout the world, an increase in the price of any product will draw this type of reaction. This reaction is not only seen among the low-income families, as some have said. Everyone reacts to a price increase.

In the current world economic situation—expressed with inflation, foreign debts, and other calamities mainly affecting the Third World countries because of unequal exchange and other factors of exploitation and looting—it is not strange that we should read news of increases in the price, not always huge increases, of basic kinds of products. Despite its efforts, Cuba cannot escape this international problem. It has been very difficult for the revolutionary government to confront its economic and financial problems without somewhat affecting the people. The increase in the price of bread and eggs is, in other words, a way to regulate consumption at a time when, like the Council of Ministers Executive Committee said, we are having serious problems getting our raw material supplies. That is, we are trying to reduce consumption to a certain extent to guarantee adequate levels of production. We must produce according to the amount of wheat for bread and flour that is available and once we begin to receive our normal shipments, we must then begin to create reserves to handle future difficulties.

To a certain extent, this measure also compensates for the progressive increase in bread production costs—at least in regard to the bread consumed in the capital city, where the increase was implemented, and on the Isle of Youth, where the bread has been liberated. However, this was not the real reason for the implementation of these measures.

Some readers may feel that this should not affect them, however, we must remember that many years ago the government began subsidizing many basic products because the production costs were not covered by the sales price. That is the case of the milk, meat, tubercles, poultry, vegetables, and eggs. The country invests hundreds of millions pesos each year to subsidize these products. Much of this is subsidized with foreign exchange, and as many of us know, this has not been enough. However, the essential factor affecting many of these productions has been the galloping increase in the price of raw materials, equipment, and other articles necessary to produce them. We could give many examples, but will refrain from doing so and will limit ourselves to the one product we are discussing today: bread.

The most important raw material needed to produce bread is wheat flour. Until 1987, a ton of wheat was sold at $170. In 1988, as a result of the drought experienced in U.S. and Canadian wheat growing areas, two of the three largest wheat growers and exporters in the world, the traditional wheat surplus on the international market dropped. There was barely enough to cover the world's yearly wheat demands. The wheat price shot up that year and continued to do so in 1989 and 1990. A ton of wheat today costs $240. Wheat for bread, or hard wheat as it is also called, can cost between $90 to $150 a ton. To this we must add the milling costs. In Cuba, we consume 600,000 tons of wheat each year; 400,000 tons are used for bread and the remainder is used for pasta, salted and unsalted crackers, pastrymaking, and pizzas.

To make a ton of hard-crust bread—2,500 pounds of 400 gram loaves—we must use 828 kg of flour; for a ton of soft-crust bread we must use 708 kg of flour. In wheat flour alone, the production of a pound of bread costs 8 U.S. cents, or its equivalent in the other foreign currency. To this we must add other expenses like fuel, other raw materials, yeast, oil, sugar, salt—some of the raw materials must also be imported—and wages. We must also add those expenses involving investment, expansion, purchase of equipment, et cetera. As you know, these expenses are also added to the production costs.

And speaking of wages, we must remember that as a result of the study of the critical bread problem we experienced in the capital city a few years ago, a problem that prompted the implementation of the plan we mentioned earlier, in 1988 a wage increase was ordered for all bakery workers throughout the country. As of that year, the basic salary increased from 186.90 pesos to 217.25 for bakers; from 172.01 pesos to 186.79 for the people who work the ovens; and from 121.98 to 141.04 pesos for operators. You will note that we have only mentioned three of the many groups of workers and we have not included the extra pay they receive when they work additional hours or when they work under special conditions. These wage increases did not affect the price of the product. If today's prices have been increased, rest assured that this was done after much study, after exhausting every other possibility, and because there was no other alternative in light of the situation we are confronting.

Something else the people are asking about is whether the increase will only affect one variety of bread or all of them. We wish to clarify that the price increase does not only apply to the most popular variety of bread, the pipe bread [pan de flauta], but will also include the other varieties of bread on the market. However, a study is currently underway to determine the possibility of decreasing the price of whole wheat bread in the future and in this manner increase its consumption. A piece of bran bread costs 2 centavos; 10 pieces of bran bread weigh a pound and cost 20 centavos. As of today, two pieces of bran bread will be sold for 5 centavos; 10 pieces of bran bread weighing a pound will now be sold for 25 centavos. It is only logical to assume that the price of the salted and unsalted crackers and the cookies sold freely throughout the country will also increase proportionally. The bread sold in the provinces will not experience an increase because this bread is already being rationed and the current supply will be cut by 20 grams a day.

In conclusion, the implementation of these measures will represent an annual savings of between 40,000 and 50,000 tons of flour. Perhaps it is easier to understand the importance of this if you realize that we are importing 200,000 tons of flour each year. We import 181,000 tons from the USSR and the rest is bought with hard cash. This flour covers a third of our needs. The other two thirds of the flour we use is milled locally and the raw materials needed for this are also imported. If we can maintain our current levels of production, then we will be able to create our wheat reserves.

$36 Million Trade Agreement Signed With Uganda

FL2501235390 Havana Radio Reloj Network in Spanish 2041 GMT 25 Jan 90

[Text] In a ceremony held at the Ministry of Foreign Trade in this capital, Cuba and Uganda today signed a trade agreement for 1990 and another agreement outlining procedures for establishing prices.

The agreements were signed by Alberto Betancourt Roa, vice minister of foreign trade in charge of trade policies with capitalist countries; and by Charles Alai, the Ugandan minister of commerce; who presided over the respective delegations to the joint foreign trade commission.

Bilateral trade, which will total $36 million, envisages the export by Cuba of refined sugar, salt, biological and biotechnological medicines, refrigerators, electrodes,

sports items, and others. Cuba will import beans, animal feed, corn, hide, and other agricultural items from Cuba. This will be a counterbalanced trade operation, that is, no payments in foreign currency will be required.

Cuban Foreign Trade Minister Ricardo Cabrisas also attended the ceremony.

89 Cuban Students Evacuated From Azerbaijan

FL2501222890 Havana Radio Reloj Network in Spanish 2043 GMT 25 Jan 90

[Text] A Cuban official has reported in Moscow that 89 Cuban students who were studying in middle and higher education institutions in Baku, capital of Azerbaijan, have been evacuated and are all in excellent health.

Jesus Ramos, head of the Cuban Ministry of Higher Education office in Soviet capitals, has reported that 31 students departed today for Havana, 23 students will reside in Alma Ata, and the remaining students will be leaving for Cuba in the next few days.

Ramos told PRELA that seven students were evacuated along with their Soviet foster families and, therefore, they will be able to return to Havana only after completing the mandatory immigration paperwork.

There are approximately 5,400 Cuban students in 40 Soviet cities and they are all in excellent health.

Barbados

Economy Up; Bank Credit Still Tight

FL2501181390 Bridgetown CANA in English 2250 GMT 24 Jan 90

[Report by Peter Richards]

[Text] Bridgetown, Barbados, Jan 25, CANA—Barbados Central Bank governor, Dr. Kurleigh King, on Wednesday warned of continued tight credit, despite a better than expected economic growth of almost four percent in 1990. King told reporters that the island's foreign reserves dropped by BDS 100 million dollars (one BDS dollar=50 U.S. cents), and that the commercial bank credit restrictions imposed last year were likely to continue until March. The central bank in October last year advised commercial banks and financial companies to cut back lending to the personal, consumer, and distributive sectors by five percent of the lending outstanding at August 31.

The bank said an increase in credit had placed considerable strain on the country's balance of payments at a time when foreign exchange reserves were less buoyant than two years ago. "There is some indication that the situation with respect to our reserves may have stabilised, the situation is no longer getting worse...But we now have the task of taking steps to improve the situation and bring it back to where it can be considered normal as normal," King told reporters.

He said the real growth in the economy last year "had been higher than had been anticipated" with the figure expected to be in excess of three and a half percent. "Usually, we take some pride in the level of the real growth...However, for us the composition of that real growth is what is of concern for us." King said the growth in non-tradeable sectors was too large and the growth in the tradeable sectors not large enough.

The central bank said during 1989 economic activity accelerated and government made considerable progress in reducing the public sector deficit, but the underlying structural weaknesses of the economy became more noticeable. The bank said that since 1985 the island's economy has been unbalanced, and that each year the additional income from the sectors earning foreign exchange has been well below the income earned in the sectors that use foreign exchange.

"Between 1985 and 1989, less than BDS 150 million dollars has been added in tourism, agriculture and manufacturing...But almost BDS 600 million dollars has been added in distribution, construction, government services and other nontradeables, all of which use foreign exchange," the bank said. The bank reported investment continues to shift towards the foreign exchange-using sectors at a time when foreign exchange earnings are inadequate to meet the rise in demand. The bank said it has been able to maintain "this unbalanced growth by borrowing overseas to provide the extra foreign exchange needed."

"These borrowings were undertaken in the expectation that, in the meanwhile, investment would have burgeoned in tourism, manufacturing for export, information and data services, and export agriculture," it noted. "Unfortunately, the expected export earning projects have not materialised sufficiently. As a result, even though government borrowed BDS 50 million dollars on capital markets, there was a large decline in reserves," the bank said.

The bank said expansion of economic activity led to the creation of new jobs, especially in the retail sector, and that the unemployment rate is now within 16 percent to 18 percent. But Dr. King said the country now has to be "a little bit more concerned about balance of payments than.... unemployment."

"If we solve the balance of payment problems then we would be able to do something about the unemployment; if we don't solve it we are not going to do anything about anything," he asserted.

Haiti

Avril Says State of Siege To Be Lifted

FL2601015990 Havana Television Service in Spanish 0100 GMT 26 Jan 90

[Text] President Prosper Avril has announced that tomorrow he plans to lift the state of siege that has been

in force in his country since last Saturday and denied major reprisals against the opposition.

In remarks to the press, Avril said that the March-November electoral timetable will be maintained.

Analysts in Port-au-Prince said this sudden change by the Haitian regime was prompted by the U.S. warning to the Avril government that their bilateral relations will be affected if the restrictions imposed last weekend are not immediately lifted.

The U.S. State Department warned the Avril government about the impossibility of carrying out a credible electoral process under the current conditions. The White House is the only foreign supporter of the Haitian regime.

State of Siege 'May' Be Lifted

FL2601124190 Bonaire Trans World Radio in English 1130 GMT 26 Jan 90

[Text] The Haitian leader General Prosper Avril has said that he may lift the emergency measures imposed over the weekend. Gen. Avril told foreign reporters the state of siege could be lifted as early as today. The comment came after Mr. Avril received the credentials of the new Brazilian ambassador to Haiti. In response to another question, the Haitian leader said the country is still progressing toward elections scheduled for October. Gen. Avril is also planning to hold a news conference soon to respond to questions about his deportation of opposition leaders.

However, the country's interior minister says he doubts the emergency declaration will be lifted today.

Meanwhile, U.S. Ambassador to Haiti Alvin Adams has met with Gen. Avril and expressed his government's strong desire to see the state of siege removed. The meeting, which was held Tuesday, was described in news reports as tense. However, a U.S. spokesman denied that.

Minister Romulus Explains Government Measures

FL2501153890 Port-au-Prince Radio Nationale in French 1600 GMT 24 Jan

[Excerpts] Following the murder in Fontamara on 19 January of Colonel Andre Neptune of the Presidential Guard, his wife, and their servant, the military government took a number of measures. It declared martial law throughout Haiti and expelled certain political party leaders, thus shelving certain constitutional articles. These measures caused misinterpretations oo the part of several sectors of the national life. [passage omitted]

In an interview granted to the government media last night, Brigadier General Fritz Romulus, minister of interior and national defense, further explained the measures taken by the government, to clarify the matter for the population.

First of all, why a state of seige? Here is Brigadier General Fritz Romulus.

[Begin Romulus recording, in Creole] People are living in a state of unease. They keep finding themselves in situations they do not like. I mean, even though terrorists and criminals have infiltrated the population, there are still people who would like to peaceably go about their normal business. For some time now, however, we have noticed a number of acts being committed. In fact, my ministry issued a joint communique with the Ministry of Information on this matter. You will remember precisely that, to introduce the measures taken by the government, the two ministries made public all these acts that have been committed. [passage omitted]

The most recent is the aggression committed against an Army colonel in active service at the beginning of last weekend.

All these things are part of a plan conceived by certain ill-intentioned people to achieve their goals by causing disorder in Haiti to perturb the social climate and create a climate of tension and disorder. As you all know, there are a number of people who, despite the fact that they have been clamoring since 7 February that they are democrats and would like to see change, would like to see certain things evolve in Haiti, have nevertheless always done all they could to thwart everything that is being done to effect a real change.

Thus, there are a number of different people who, contrary to what the government has been preaching since 17 September—that is, that this government is a government of transition that is here to organize a transition to democracy and to hold elections....[changes thought] For its part, the government is working to hold elections. In fact, it has done everything it should.

First, it formed the electoral council [CEP], and then made it possible for the CEP to function. You saw that despite the April events, the CEP was sworn in, to get the CEP (?up and running); and the government has done everything it can with the means at its disposal to allow the CEP to carry out the electoral process.

This entire introduction is to explain to you that the government is doing everything it can to realize the electoral process. There are a number of people in Haiti, however, who are never willing to allow this electoral process to proceed successfully. Consequently, they do all kinds of things aimed at creating disorder, public unrest, to be able to maintain a climate of terror in Haiti—a climate of disorder so they can thwart the process that the government is, for its part, trying to realize.

Contrary to what the Constitution stipulates, under martial law we have the right to arrest people past 1800 hours, which the Constitution normally does not allow. The forces of order have the right to arrest someone without a warrant....[changes thought] Because when they catch a criminal in the act and go to arrest him, there are always a number of

people who protest, saying: You do not have the right to arrest him without a warrant, and you do not have the right to arrest him after 1800.

Now, you, like myself, have seen that most of the things these men plan, they plan (?for) after 1800. It is as if they were playing hide and seek with you, a sort of game of catch-me-if-you-can. They know you will be coming after them, but they say to you: You can't take me. Because, for example, you cannot go get them after 1800. Thus, they make it a point to do their thing after 1800, so you cannot touch them.

I know I am talking a lot, but I am doing it to explain things thoroughly to you, in context, so you will see that the state of seige is just a facility given the police forces so they will have greater latitude to counter what certain criminals, certain terrorists, have been doing in Haiti for some time now. [end recording]

[passage omitted] The population, however, is in a state of constant anxiety, limiting its activities. As can easily be verified, the streets of the capital are practically deserted as of 2000 or 2100. Gen. Romulus reiterates once again that martial law in no way prevents citizens from going freely about their normal business.

[Begin Romulus recording, in Creole] Martial law is in no way an obstacle to a person going about his activities normally and peaceably, for a peaceable citizen need not worry in any way about martial law, because, to repeat what I just said, martial law simply gives the police forces, which were limited by the Constitution, the means to take action against criminals. The population, however, has nothing to do with this. It can go about its business as normal. [passage omitted] [end recording]

Gen. Romulus also said the expulsion of certain political leaders is temporary, and that they will be allowed to return to Haiti to participate in the presidential elections. The general also said the state of seige, decreed for 30 days, could be lifted before 30 days have elapsed, depending on the extent to which the terrorists will have been reduced to impotence and on how well the government has things in hand.

Justifying the expulsion of certain members of the opposition, Gen. Romulus said some of them were guilty of crimes normally punishable under the penal code, such as committing an outrage against the chief of state [outrage au chef de l'etat]—and that since it was a matter, in several cases, of candidates to the Presidency, the military government had preferred to push them aside for awhile, just temporarily.

Asked about the alleged brutal mistreatment of several of the people arrested, Gen. Romulus explained that he had not personally visited the people apprehended but that President Prosper Avril had asked the military authorities given this task to respect the physical integrity of the people apprehended.

In conclusion, Gen. (?Romulus) asked the population to trust the government, which is working to establish democracy in this country.

[Begin Romulus recording, in Creole] I would like to again ask the entire population to collaborate, and to trust the government as regards the actions it is carrying out. I suppose that with this strengthening of the police's powers, we will manage to render these criminals impotent. We will be able to keep them in check so we can at least allow the population to live tranquilly, so it can enjoy itself properly during the coming carnival; and so, at the same time, we ourselves can enable the CEP to indeed launch the electoral process. [end recording]

'Banished Leaders' May Return After Elections

FL2501132290 Bonaire Trans World Radio in English 1130 GMT 25 Jan 90

[Text] Haiti's business community is calling for an end to the state of emergency. The country's Chamber of Commerce issued a statement yesterday condemning the government's arrest and expulsion of several political leaders. They also demand reestablishment of the Constitution. The country's interior minister said on national television that the banished leaders would be allowed to return as soon as presidential elections are held. He also said the government needs time to control the situation, citing several arms caches which were discovered and connected to the leaders.

Two church-run radio stations have stopped broadcasting news because of a government communique demanding that all the news be authorized by the Ministry of Information.

Former Haitian presidential candidate Louis Dejoie says he has no plans to return to Haiti until General Prosper Avril is out of power. Mr. Dejoie is presently in Puerto Rico and he told reporters there that the latest government offer is not realistic. He thinks the killings over the past 2 weeks make it unthinkable that he or other exiled politicians would return to take part in the political process.

LE MATIN Reports Manigat, Others Arrested

FL2501173790 Port-au-Prince LE MATIN in French No 28.889, 24 Jan 90 p 1, 5

[Excerpts] Port-au-Prince, (AFP)—A member of the Haitian opposition, Mr. Joseph Fernel Manigat, was arrested by soldiers on 22 January in Cap-Haitien (250 kilometers north of Port-au-Prince) on the premises of Radio Citadelle, announced a local correspondent to AFP by telephone.

The soldiers stormed into the radio station's premises to arrest Manigat, a member of the National Association of People's Organizations [name as published] (ANOP) after Manigat made a statement on the air. According to this same source, Manigat was beaten at the time of his arrest.

Following this incident, Radio Citadelle abstained from broadcasting news on the situation prevailing in Haiti after the proclamation of the state of seige by the military government. [passage omitted]

Also, it was learned on 22 January from the families of two persons—Marie-Denise Douyon, a well known publicity agent [publicist], and Gerard Laforest—that they were arrested on 20 January, while driving in a car south of Port-au-Prince, and were accused of illegally having weapons in their possession. [passage omitted]

More Leaders Sought; Radios Stop Reporting News

FL2501173590 Port-au-Prince LE MATIN in French No. 28.889, 24 Jan 90 pp 2, 6

[From the "Day by Day" column by D. Chalier]

[Excerpts] AFP reports that the police are still seeking leaders Gerard Philippe Auguste [of the Movement for the Organization of the Country] and Sylvio Claude [of the Haitian Christian Democratic Party] and that six leaders had been expelled from Haiti up to yesterday. [passage omitted]

Haiti's principal independent radio stations (Radio Metropole, Radio Haiti-Inter, Radio Cacique, Radio Caraibes, and the television station Tele-Haiti) had, in protest, stopped giving local political news well before the Information Ministry established censorship. [passage omitted]

It has been announced to us that important merchant Antoine Izmery was arrested yesterday morning as he was coming from his residence in Laboule. He was reportedly taken to the headquarters of the (?military) district of Petionville. [passage omitted]

Only One Independent Paper Reports Local News

FL2501202590 Port-au-Prince LE MATIN in French No. 28.890, 25 Jan 90 p 4

[Excerpt] Port-au-Prince, (AFP)—With the exception of the daily paper LE MATIN, the independent Haitian press abstained from reporting national news on 24 January, 4 days after martial law was decreed by the government of General Prosper Avril.

The commercial radios and television station stopped airing their usual newscasts after the Ministry of Information asked them Tuesday to verify with the Ministry of Information the "veracity" of all national news.

Only LE MATIN published information on the situation in Haiti. The nation's other important daily paper, LE NOUVELLISTE, published only international news, nevertheless excluding foreign reaction to the events in Haiti. [passage omitted]

Arms Confiscated; Ministry Cancels Meeting

FL2501211590 Port-au-Prince LE MATIN in French No. 28.890, 25 Jan 90 p 2

[From the "Haiti and Today's World" column]

[Excerpts] [passage omitted] An important quantity of weapons was confiscated on 22 January in a villa in Petionville, a residential suburb 8 km from Port-au-Prince. The house was rented several months ago by a doctor whom the police have been seeking since June, the Haitian Armed Forces High Command announced Tuesday.

Two Israeli Galil assault rifles, grenades for grenade-launchers, anti-tank and fragmentation grenades, and an impressive quantity of munitions that were part of this weapons seizure were shown over the government television station.

This arsenal was discovered by the proprietor of a villa that had been rented by Dr. Jean-Claude Joseph, alias Jean-Claude Alcazar, who is considered by the military authorities to be close to Roger Lafontant, a former interior minister of Jean-Claude Duvalier.

According to the authorities, there is an international arrest warrant out for Dr. Joseph, after grenades and machetes were discovered last June at his office in Petionville.

Furthermore, a meeting with the heads of the nation's radio and television stations and the AFP correspondent that was called by the Ministry of Information for noon (local time) 23 January was cancelled without any explanation to the parties concerned. [passage omitted]

More Weapons, Munitions, Manuals Confiscated

FL2501185690 Port-au-Prince L'UNION in French No. 291, 24 Jan 90 pp 1, 12

[Text] The Military Department of the Metropolitan Zone announces that within the framework of the searches made in the capital and its environs, new confiscations have been made:

At the Gerard Brun residence: 1 12-gauge shotgun, model 12 TR.SP. No. 953772; 1 leather cartridge belt containing 24 12-gauge shells; 50 9-mm shells; 88 shells for a 38-caliber revolver; 9 M-14 shells; 10 .380 shells; 2 leather pistol holsters; 1 cartridge pouch made of heavy-duty fabric.

At the Gerald Fernand Laforest residence (No. 12, Riviere Street): 1 Stevens rifle, model series E, No. E852615; 1 Warming Mossberg rifle, No. J927319; 20 boxes of cartridges for an Uzi submachine gun; 5 boxes of cartridges for a 30-caliber carbine; 6 boxes of shells for a 9-mm Luger pistol; 25 boxes of shells for a Galil rifle; 11 boxes of shells for a 22-caliber rifle.

Other diverse munitions: 44 clips for M-1 rifle; 23 clips for an Uzi submachine gun; 1 olive green belt made of

heavy-duty fabric; 3 cartridge belts for an Uzi submachine gun; 1 cartridge belt for FAL rifle; 1 bottle of tear gas; and the following 14 manuals: a. The Colt 45 Auto, b. The Fighting Rifle [title in English] (the combat weapon), c. World Encyclopedia of Weapons, d. IWS Special 9 m/m Para, e. IWS Special 45 ACP, f. The Rapid-Fire Weapons of the Police, g. The Aristocracy of the Pistol, h. The Kalashnikov, i. Treatise on Target Shooting, j. Pistols and Revolvers, k. T.T. Gunnery and Range [title in English], l. How To Convert Military Rifles [title in English] (how to modify military weapons), m. Profiles of Light Weapons, n. The Foundations of the Actions of the National Agricultural and Industrial Party (PAIN).

By order of Colonel Romulus: Jodel Lessage, lieutenant colonel, Haitian Armed Forces, in charge of public relations.

Deadline for Surrendering Illegal Arms Issued

FL2501170290 Port-au-Prince Radio Nationale in Creole 1200 GMT 25 Jan 90

[Text] We have here a note from the Ministry of Interior and National Defense asking everyone illegally possessing firearms, munitions, and explosives to discretely turn them in at the nearest military department or district.

No sanctions will be taken against them. They need not be anxious. They should simply conform to this notice within 2 days. After this deadline, all those failing to respect what is said in this Ministry of Interior and National Defense note will be considered people who do not respect the law.

We remind listeners that this began yesterday afternoon and ends today. The deadline is today, 25 January 1990.

This note is signed by Fritz Romulus, brigadier general, Haitian Armed Forces, minister of interior and national defense.

Pro-Avril Demonstration Held in Miragoane 24 Jan

FL2501172390 Port-au-Prince Radio Nationale in Creole 1200 GMT 25 Jan 90

[Report by Miragoane correspondent Yves Marie Jasmin]

[Text] On the morning of Wednesday 24 January 1990, all private and public offices in Miragoane were functioning normally. Activities at the communal marketplace, activities connected with second-hand merchandise, and other activities were also normal. However, at approximately 1000 or 1015, a demonstration arrived in Miragoane from the first communal section—from (Charlot), (Bitasyon Beke), (Dufour), (Detour)—arriving under a blazing sun. These demonstrators, who were singing all kinds of gay songs accompanied by bamboo instruments, trumpets, and [word indistinct], were carrying placards on which were written slogans favorable to the military government. These slogans also asked for potable water—which the population of Miragoane has been asking for for more than 8 years.

The clearest of the slogans we saw said: "We have a potable water problem" and "We support President Avril, who has taken decisions aimed at making everything work."

There was a good number of soldiers in olive green uniforms in the street on Wednesday 24 January. They provided proper security.

This is the government radio station, National Haitian Radio. Yves Marie Jasmin. Miragoane.

Manufacturers Association Condemns Measures

FL2501171690 Port-au-Prince LE MATIN in French No. 28.889, 24 Jan 90 pp 1, 6

["Haitian Employers Ask That the State of Siege Be Lifted"—LE MATIN headline]

[Excerpt] [Passage omitted] Port-au-Prince, 22 January 1990.

The Haitian Manufacturers Association [Association des Industries d'Haiti, ADIH], concerned about its civic responsibilities and duties and in the name of democratic principles, deplores and condemns the unfortunate measures taken by the military government over the past few days. That is:

1. Proclamation of the state of seige.

2. Arrest and banishing of Haitian citizens because of their civic and political activities.

3. Reinstating the requirement that Haitian citizens obtain a visa to enter their **own country**.

4. Power to deprive compatriots of their nationality, thereby making them stateless persons.

This position taken by ADIH falls within the line of conduct that ADIH has set for itself since its founding in 1980, which it expressed with conviction in its 11 January 1986 communique demanding the establishment of a truly democratic climate, the sole guarantee of national development to the benefit of all the nation's social strata.

Consequently, and to spare the Haitian people the pernicious political and economic repercussions that would result from maintaining these special and undemocratic measures, ADIH hopes and strongly recommends that these measures be rescinded—as well as that the citizens forced into exile return to Haiti.

ADIH Executive Council

L'UNION Article Calls for Dialogue, Trust

FL2501145390 Port-au-Prince L'UNION in French No. 291, 24 Jan 90 pp 1, 12

[Article by Joseph J. Bataille: "Dialogue Despite Antagonisms"]

[Text] The new stakes in the Haitian political arena are giving rise to much comment and are raising big questions. The perturbations and attempts to destabilize the government's institutional devices are the new jolts retaining the attention of observers in the capital.

Despite the chief of state's firm determination to have the democratic process triumph in Haiti, in the name of respect for the fundamental acquisitions of 7 February 1986, social groups hostile to change have tried, through acts of banditry and terrorism, to thwart the reconstruction of the fragile Haitian edifice that has been undertaken. These were negative forces, which would have been a threat to the ensemble of the national community had not a new dynamism been rapidly breathed into the equation to stop these champions of organized violence.

Today, dialogue must be given a fresh start, particularly in two directions: in the direction of the sector made up of the antagonistic groups and in the direction of the sector made up of the agents of the national economy.

The heroic gesture made by the soldiers of the Presidential Guard on the night of 17 September 1988 laid the foundations for a national dialogue between the antagonistic elements of the Haitian political system. Experience has proven, however, that without real acceptance of ideological pluralism, there will be neither a common will nor respect for the rules of the democratic game.

Nevertheless, a certain fringe of the political class still hesitates to plunge into an electoral race against adversaries that, to begin with, it holds in awe and whose ability to win the electorate's support is obvious.

For its part, the government, guardian of internal order and security, cannot simply fold its arms and impotently stand by and watch such an escalation of violence. From this, a climate of social tension has arisen. After seeing the amount of weapons and munitions seized in different places, however, it is advisable to begin, without delay, to attenuate Haiti's social situation as per the measures taken by the military government.

The government and the elements of the political fauna will not succeed in doing this unless they, in the coming days, support the path of dialogue, going beyond antagonisms—for example, by setting precise rules of conduct and deciding to respect the specific person [la personnalite intrinseque] of the chief of state.

Just a few months away from the holding of the Administrative Councils for the Communal Sections [CASEC] and municipal elections, the policy of dialogue must be at the center of the concerns of party leaders and the competent authorities.

Contrary to what certain pessimists affirm, it does not at all necessarily follow that the military government is again questioning its commitment to furthering the electoral process. It is on the basis of this conviction—and not apart from this central, problematic matter—that President Prosper Avril undertook the strengthening of the historic ties that bind him to the population of the "real nation." Nothing could be more normal or legitimate—on the condition, however, that people eliminate, from the relations between the government and the social protagonists, doubts and judgments as to intentions [proces d'intention] and that together, people get to the bottom of the contradictions regarding the democratic process and the relations that a truly democratic opposition should develop with the military government.

It is high time the members of Haiti's political class defined their common program to save Haiti from economic underdevelopment. Otherwise, the entire skeleton of the Haitian edifice will weaken progressively with time.

Jamaica

Bank Closes Foreign Exchange Market for Week

FL2501194790 Bridgetown CANA in English 0051 GMT 25 Jan 90

[Text] Kingston, Jamaica, Jan 24, CANA—The Bank of Jamaica [BOJ] on Wednesday [24 January] announced a week-long closure of its foreign exchange market. It gave no explanation, but financial analysts say the move is to protect the market against speculative action by those who expect a devaluation of the dollar to be announced next Tuesday [30 January] when the government gives details of its latest deal with the International Monetary Fund. A statement from the central bank said that it will not be accepting applications for foreign exchange from the commercial banks on behalf of importers of goods and services until February 1.

This arrangement, the statement said, will not affect over-the-counter transactions for business and vacation travel, health, and education. The bank said that persons wishing to buy foreign exchange for these purposes should do so at their commercial banks. Bank of Jamaica Governor G. Arthur Brown said that there was no reason for commercial banks to suspend over-the-counter transactions as they took no risks. He said that the banks got the same rate from the BOJ as they paid.

President of the Jamaica Manufacturers Association Anthony Barnes told CANA that the move was not unexpected given the fact that most people expect a devaluation of the Jamaican dollar. He noted that a number of businessmen had been rushing to get their bids into the BOJ in order to pay their bills at the present rate of 6.50 Jamaican to one U.S. dollar. Barnes said he did not foresee any damages in the short run because of the closure of the foreign exchange market. However,

severe damage could be done to the productive sector and the business community if corrective measures were not put in place quickly enough when the market reopened, he said. He said that the present measures to dry up liquidity in the economy were not having any effect on those with the excess cash. Since the BOJ discontinued its bi-weekly foreign exchange last year, applications for foreign exchange have been processed by the central bank each Wednesday.

Trinidad and Tobago

Trade Unions Call Off Sugar Strike

FL2501185590 Bridgetown CANA in English 1846 GMT 24 Jan 90

[Text] Port of Spain, Trinidad, Jan 24, CANA—A truce has apparently been reached in Trinidad and Tobago's sugar industry, with trade unionists calling off a strike. The state sugar company Caroni (1975) Limited on Wednesday changed for moving its board meeting after unionists had complained of the venue change.

Members of the Caroni board met Wednesday morning with the four unions representing workers, managers, and other personnel in the sugar industry that provides jobs for 10,000. The meeting followed the unions' announcement of plans for a Thursday protest which would allow workers to travel to Port of Spain to demonstrate outside Caroni's board meeting.

Caroni had moved the meeting as controversy mounted over the role of a new separate company to supervise Caroni's plans for diversification from sugar, part of a cabinet move for restructuring the sugar industry. However, at their Wednesday meeting, Caroni's board agreed to keep the meeting in central Trinidad, at the Brechin Castle factory area.

The unions also brought up their concerns about failure to pay industrial court-awarded monies to sugar workers since 1985, cabinet's plans for restructuring the sugar industry, and the creation of Caroni Diversified Products Limited (CDPL). The board agreed to write to Planning Minister Winston Dookeran, asking for responses on the new company, CDPL, the backpay and the cabinet plan issue. In return, the unions cancelled their protest pending Dookeran's response.

The main sugar union, the All-Trinidad Sugar and General Workers Trade Union (ATSGWTU), which represents 8,000 sugar workers, said in a statement later that it would continue to monitor the situation but had asked workers to turn up for work Thursday morning.

2 Killed in PRI, PRD 'Armed Confrontation'

PA2401033490 Mexico City XHTV Television in Spanish 0200 GMT 24 Jan 90

[Text] As a result of the armed confrontation this morning between PRI [Institutional Revolutionary Party] and PRD [Democratic Party of the Revolution] members at Jacona, Michoacan, two men were killed.

The political disagreements have resulted in five dead in 6 days. The confrontation occurred outside the municipal president's office in Jacona, which is still occupied by PRD followers. According to the reports, a dispute between PRI and PRD members on the electoral results caused the shooting, in which several people were also injured.

The state's deputy prosecutor is conducting an inquiry into the incident.

PRD Members Wounded in Clash With Police

FL2501205390 Mexico City NOTIMEX in Spanish 1516 GMT 25 Jan 90

[Text] Iguala, Mexico, 25 Jan (NOTIMEX)—The police have reported that at least five people were wounded after members of the Party of the Democratic Revolution (PRD) attempted to take over the city hall in this city in the southern state of Guerrero. Mario Motas Villalobos, an assistant from the Public Prosecutor's Office, stated that the events occurred when approximately 250 PRD members armed with sticks, machetes, and stones tried to enter the city hall. The police repelled the PRD members, and one officer and four PRD sympathizers were wounded in the scuffle.

According to PRD Federal Deputy Felix Salgado Macedonio, only 10 PRD members tried to enter the city hall to meet with Mayor Felipe Cardona Marino. Salgado Macedonio said his colleagues were attacked with clubs.

To date at least 13 PRD members have been killed in the context of the postelection violence that has been taking place over the last 23 days in Guerrero. According to PRD information that will be turned over to the Interior Secretariat on 29 January, 90 percent of the cases of murders of PRD members have been committed in incidents prior to or following elections.

At the national level, the preliminary PRD list totals 41 murders, 11 of which were in Michoacan, 9 in Guerrero, 8 in Oaxaca, 6 in Mexico City, 4 in Morelos, and 1 each in Chiapas, Chihuahua, and Veracruz.

Salinas de Gortari Leaves for Portugal Visit

FL2501215690 Mexico City NOTIMEX in Spanish 2124 GMT 25 Jan 90

[Text] Mexico City, 25 Jan (NOTIMEX)—Mexican President Carlos Salinas de Gortari departed today at 1500 for Lisbon, Portugal, on a 5-day working visit to European countries.

The main objectives of the Mexican chief executive's tour are to strengthen Mexico's presence in Europe, to diversify its economic and political relations, and to promote closer ties with the European Economic Community.

Salinas de Gortari, who was accompanied by a small official entourage, left on board the Benito Juarez aircraft of the Mexican Air Force.

Costa Rica

Panama's President Endara Holds News Conference

PA2401223890 San Jose Radio Impacto in Spanish 1551 GMT 23 Jan 90

["Excerpts" of news conference by President Guillermo Endara with local and foreign newsmen and unidentified moderator at Juan Santamaria International Airport in San Jose on 23 January—recorded]

[Text] [Endara] I have met with representatives of groups that were previously part of the government and who will now be the opposition in Panama. Specifically, I met with two distinguished members of the PRD [Revolutionary Democratic Party], with whom I reviewed the Panamanian situation. They expressed interest in becoming the opposition. I welcomed them as opposition representatives and told him that to operate, a democratic system needs not only the balance of the three state organs—the executive, legislative, and judicial branches—but the presence of an opposition. The opposition's role is to report any mistakes to the government and to provide an alternative for the people. I assured these gentlemen that the opposition would enjoy all constitutional and human rights, even the rights they refused us when we were the opposition.

[Moderator] The reporters will now give their names and that of the media they represent, please.

[Sancho] Luis Sancho of ACAN-EFE. How will the Panamanian Government handle certain accusations against the former government? I am specifically referring to the dismissals at ERSA [Editora Renovacion, S.A.].

[Endara] First, I will refer to dismissals in public institutions, then I will refer to ERSA, which is not a public institution. A number of employees have been laid off from public institutions. Some of the dismissals have included a relatively large number of employees. This is basically a result of the decision by the government during the first days after it assumed office. It was found that a relatively small number of public employees belonged to the Dignity Battalions and the CODEPADI [Committees for the Defense of the Homeland and Dignity], all of whom were paramilitary. Some employees terrorized their fellow workers into not going to work. Others spied for the government at public offices. We had to take, and still are taking, measures against those bad Panamanians by firing them. They were paramilitary and used arms given to them by the Noriega dictatorship to kill, injure, and terrorize the Panamanian people and public employees. This is the major reason a large number of public employees have been fired.

ERSA is a private corporation that originated with the appropriation of what was formerly Editora Panama America, S.A. I am not familiar with either the mechanism or the manner in which this corporation handles dismissals, because it is a private concern. In addition, I do not represent the judicial branch and cannot intervene in the activities of this branch. I am not familiar with the procedure whereby on 20 December Editora Panama America resumed control of the printing corporation called ERSA. I understand, because I have read it in the papers, not because I am part of the government, that Editora Panama America is a corporation entirely different from ERSA and that it is responsible for labor compensation for ERSA's employees. ERSA, as a corporation, must pay the labor benefits of its employees. I also understand that some of these cases are being handled by labor authorities. I am not familiar with the details of these proceedings and do not participate in them.

[Reporter] [Words indistinct] Mr. President, your government [words indistinct] such as the Venezuelan and the Peruvian Governments, that the Panamanian Armed Forces [words indistinct] and in view of the situation of the past few days [words indistinct] what are the prospects for this [words indistinct]?

[Endara] First, there is a [word indistinct] between Venezuela and Peru. Venezuelan President Carlos Andres Perez has repeatedly expressed his feelings of friendship toward the Panamanian people and his support for Panamanian democracy and even for those who currently lead the Panamanian Government. In the case of Alan Garcia, he had expressed very noble and friendly feelings toward us right after the May elections and during the time we fought against Noriega's dictatorship. President Garcia recognized our election victory. He recognized the huge margin by which we won the elections and he recognized me as the Panamanian president-elect. After 20 December, however, and unfortunately, Garcia adopted a different attitude and began insulting us.

Both Garcia and his foreign minister have insulted us verbally. I must tell you that the Panamanian Government feels absolutely legitimate, because we were elected by the Panamanian people. We were elected at the end of an election process during which we were subjected to all kinds of pressure, repression, and obstacles created by the dictatorship. Despite all that, we won the elections by a wide majority. We won by a margin of approximately four to one or three to one. The Panamanian Catholic Church, the foreign observers, and the tally sheets we have delivered to the Catholic Church confirmed and proved our victory. The tally sheets were checked by auditors in December 1989 and they—with the approval of the Electoral Tribunal—proclaimed our resounding victory. Our government does not need any legitimization. We have already been legitimized. We won the elections by a margin larger than that obtained by any other president in Latin America. No one ever dared to ask President Perez or President Garcia to legitimize their mandate at the beginning of their presidential periods, although their victory margins were not as ample as ours.

It is interesting to note, however, that during the 21 years of the Panamanian dictatorship—when the dictatorship appointed civilian puppet presidents of the military dictatorship—the legitimacy of those puppets was never questioned. No one ever requested the holding of a plebiscite in Panama to legitimize those governments. Our Latin American brothers, the Latin American governments, simply recognized them. I do not see any reason why they should ask us, the current Panamanian Government—which was legitimately elected by an overwhelming majority and which has enormous support among the Panamanian people as several serious polls indicate—to hold a plebiscite.

[Reporter] [Question indistinct]

[Endara] Let me tell you something. It would be very regrettable if they [not further identified] decide not to give us their support. If that happens, the efforts and sacrifices the United States has made and the great sacrifices and efforts made by the Panamanian people would have been in vain. If the United States does not give us the aid it owes us, those efforts and sacrifices would have been for nothing. The United States has a moral duty toward us. It is only fair that it gives us that aid. I believe we, the Panamanian people, have decided to reconstruct our economy and our democracy essentially based on our work and efforts. We are very optimistic and enthusiastic about our responsibility. However, we need the economic support of the United States and other friendly world powers such as the EEC, Japan, and China.

[Botero] I am Miriam Botero from the newspaper LA PRENSA LIBRE. Panama [word indistinct] financial status [words indistinct]. How will the government attract new capital to Panama and what measures will your country adopt to prevent drug traffickers from bringing money into Panama and laundering it?

[Endara] Thanks to its geographical position, Panama has the privilege of being a very appealing country for foreign investors. We are creating the appropriate atmosphere so those foreign investors will return to Panama. We are creating an atmosphere of trust. We are building a country in which rights are respected and in which there is justice and stability based on freedom. We believe that with time and maybe relatively soon, Panama will return to its times of international, financial prosperity.

However, we know the Panamanian Government and people flatly reject drug trafficking in all its forms. The Panamanian banking system will neither be used for money laundering nor drug trafficking activities. We have told this to bankers in Panama. We know we are not asking our bankers to do any more than what bankers in Switzerland, Grand Cayman, and other financial centers are asked to do in the struggle against drug trafficking. Our position is similar to that existing in those countries. We will fight against drug-trafficking and money-laundering activities.

[Reporter] I am Irisnel Pulice from the newspaper LA NACION. Does your government plan to establish a true central bank capable of issuing local currency [words indistinct].

[Endara] That topic has raised much discussion in Panama. Generally speaking, however, the position that prevails in Panama is that there should not be a local currency. Most people want a foreign and international currency to circulate in Panama, especially the U.S. dollar. That is the way it has been since our independence. There was a brief period during which a local currency circulated in Panama. That experience, however, was not particularly significant. Our economic tradition has never included a local currency or the existence of a central bank to issue local currency.

We have not thought of changing that tradition. There is, however, a group of people in Panama who think Panama should have a central bank. That position, however, does not prevail in Panama.

[Reporter] [Words indistinct] President Arias has said that to abolish the army it is not enough to change the name of the Armed Forces. Arias said that to abolish the army, it is necessary to change the laws. My question is: Are the massive dismissals of people who belonged to the Dignity Battalions contributing to the reconciliation needed by the Panamanian people to reconstruct the country?

[Endara] We must conduct a reconciliation with justice. No reconciliation is possible if we excuse crime, murder, and torture without due punishment. Those who are or were part of the paramilitary and members of the Dignity Battalions who intimidated, threatened, and pressured their fellow workers cannot continue to work in the same place where they harmed their victims. That is a principle of justice that we advocate and which does not affect national reconciliation.

The Panamanian Catholic Church has stated that reconciliation is the basis of the reconstruction process, or rather that the reconciliation process must be accompanied by justice. There must be justice in each society. There cannot be a solid and firm society without justice.

[Moderator] Two more questions, colleagues.

[Reporter] [Question indistinct]

[Endara] Yes. You are referring to the abolition of the Army, correct? We have much to learn from Costa Rica and from Costa Rican models. Costa Rica has lived without an Army for 40 years. During those 40 years, Costa Rica has not experienced any significant social or political problem affecting its Public Force. We believe Costa Rican citizens live safely. Their lives, honor, and goods are protected. There is public order here. I believe the Costa Rican experience, to which we are highly attracted, is one that should serve as our model. Yesterday, we had the pleasure of meeting with the Costa Rican security and government ministers. They gave us

some information and many documents with regard to the Costa Rican experience. We will use it to emulate the Costa Rican experience as much as possible. Thank you.

[Moderator] One last question.

[Reporter] [Name indistinct] from the newspaper LA NOTICIA of the Dominican Republic. LA NOTICIA is a university newspaper. The spirit and letter of the Panama Canal treaties signed in 1977 state that Panama must be able to defend the canal from any political event that may take place in the world or [word indistinct] a specific Central American nation. In other words, if the Panamanian Army is abolished, what policy will the Panamanian Government implement to comply with that section of the canal treaties [words indistinct]?

[Endara] First, I must tell you that the concern you are expressing was the main concern of the Panamanian military dictatorship. The dictatorship created an increasing number of infantry companies and acquired an increasing number of weapons to be able to defend the canal after the year 2000.

When talking about the defense of the canal after the year 2000, we must take various factors into account. As it has been repeatedly proven, the canal cannot be defended. Any international world power that wants to destroy the canal can do so without us being able to do anything. The canal cannot be defended with the average type of weapons that our Public Force would possess. We cannot protect the canal from a guided missile with an AK-47 or an M-16 machine gun. We cannot protect the canal from a large-scale air attack, not with the weapons available to us now, nor with 2, 3, or 20 infantry companies.

The canal is protected by its neutrality. The neutrality of the Panama Canal would give all countries the right to freely cross the canal and to use the isthmus of Panama as a base for their foreign and even local trade.

If all the world powers use the Panama Canal on an equal basis as the canal's neutrality establishes, no world power would be interested in destroying it, because they would be dealing a blow to their own economies. Thus, its neutrality is the true defense of the canal. The canal should be protected with that basic principle, because from a military point of view, the canal cannot be defended.

Government Orders Contra Treatment Clinic Closed

PA2501141390 Panama City ACAN in Spanish 0053 GMT 24 Jan 90

[Text] San Jose 23 Jan (ACAN-EFE)—The Security Ministry reported today that the Costa Rican Government has ordered the closing of a clinic that treated wounded and crippled "contras" and that has operated in Costa Rica for over a year.

At the same time, a contingent of civil guards was sent to the Nicaraguan border to comb the area after the Sandinist government presented an official complaint on the alleged presence of Nicaraguan guerrillas in that area.

The Costa Rican authorities learned of the Nicaraguan complaints through recent statements made by Sandinist Army Commander Roberto Calderon, which were relayed by international news agencies.

Regarding the closure of the "contra" clinic, Security Ministry Spokesman Carlos Jimenez said that this complies with an agreement made by Central American presidents at the San Isidro de Coronado summit last December.

The clinic operated with Agency for International Development (AID) funding and treated approximately 900 war wounded during the time it operated.

Currently, Jimenez added, approximately 560 people are being treated and they will be allowed to stay on for 1 month until they finish the treatment they are receiving from a private clinic in Costa Rica, which receives payment for their services from the AID.

El Salvador

President Cristiani Comments on FMLN, UN Trip

PA2501222190 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 25 Jan 90

[News conference by President Alfredo Cristiani with unidentified reporters following his visit to the Legislative Assembly on 25 January; place not given—recorded]

[Text] [Reporter] Colonel Emilio Ponce has said that the Farabundo Marti National Liberation Front [FMLN] has plans to start an offensive as soon as you leave the country to improve its international image. What do you know about this, Mr. President?

[Cristiani] The intelligence people of the Armed Forces believe that there is the possibility of the FMLN carrying out surprise attacks on some neighborhoods for propaganda reasons.

[Reporter] [Question indistinct]

[Cristiani] We are going to talk with the UN secretary general about the San Isidro de Coronado Agreement and about his participation to facilitate the dialogue process.

[Reporter] Mr President, what role could the United Nations play in dialogue with the guerrillas. What will be your position at this meeting?

[Cristiani] The government's position is based strictly on the San Isidro de Coronado Agreement. That agreement is clear. It includes a request for the reinitiation of the dialogue process. It deals with the UN Observer Group in Central America [ONUCA] and the participation of

ONUCA and the International Commission of Support and Verification [CIAV] in the demobilization of the FMLN.

At San Isidro de Coronado, many decisions involving the United Nations were adopted. This is what we are going to discuss with him to try to reach an agreement with him and to set in motion the [word indistinct].

[Reporter, interrupting] Mr. President, is it possible that you could contact FMLN leaders during your meeting with the UN secretary general?

[Cristiani] Negative.

[Reporter] Mr. President, when you visit Washington, will you be delivering a special message [words indistinct]?

[Cristiani] There are several subjects. We have issued an executive decree creating an antidrug trafficking commission and the United States supports this program. We want to implement programs to prevent the consumption and trafficking of drugs in our country. There is a special situation that involves what is called supplementary aid. We could discuss any other subject of interest he may have in mind.

[Reporter] What is the government doing to stop the increasing cost of the dollar, a situation that has been going on in the black market for the past 7 days.

[Cristiani] We believe that the price of the dollar reacts to the law of supply and demand. Speculation sometimes also affects the price of the dollar. I believe that the offensive produced much speculation. There have been intense demands from outside the country. This affects the situation. We are taking steps. In February, we are going to adopt measures to stabilize the situation and to keep the cost of the dollar from going up further.

[Reporter] [Words indistinct] asked that some negotiations take place to be able to renew aid to El Salvador, but [words indistinct] the need for negotiating to find an end to the war.

[Cristiani] The problem is the FMLN. We have been willing to talk since 1 June [1989]. They are the ones who have made a mockery of the dialogue.

[Reporter] Are you ready to negotiate, just as the U.S. Congress has suggested?

[Cristiani] We are ready to continue the dialogue process. We have always been ready. We have never said no to the dialogue process.

Merino on FMLN Lack of Fighting Capability

PA2501202190 San Salvador EL MUNDO in Spanish 15 Jan 90 p 6

["Bulletin received from the Interior Ministry;" date not given]

[Text] Salvadoran Vice President Francisco Merino Lopez has said that "the FMLN [Farabundo Marti National Liberation Front] does not have the capacity to repeat a terrorist attack like the one launched on 11 November because it does not have the logistical or other necessary support at this time, nor will it have such support in the months to come."

Merino said that the FMLN repeats its terrorist activities in cycles that must be broken to prevent further suffering and bloodshed.

The vice president said that the Salvadoran guerrillas have lost ground in every way, and the dialogue must be resumed as the only way to achieve a firm and lasting peace in the country.

"The Government of the Republic has never been naive regarding the FMLN's lack of sincerity during the dialogue, but it is our duty to seek peace through reason, even though we are aware of the FMLN's warlike attitude," Merino said.

Regarding the FMLN's desire to participate in the meeting to be held by the president of the Republic with the secretary general of the United Nations in New York, Merino said the guerrillas cannot hope to be on an equal footing with the president of El Salvador.

"The president is going to New York to express, once again, the sincerity with which the government seeks to achieve peace through dialogue. The FMLN's hope of having a tete-a-tete with the president at the United Nations is totally absurd," the vice president said.

Merino said that the guerrilla's only way out is to give up the armed struggle and join in the country's democratic life, although he conceded that the process will be difficult and that it will naturally have to be gradual in order for the guerrilla fighters to feel safe "without having a weapon at the ready."

On the other hand, in reference to the case of the Jesuits, in which members of the Armed Forces have been implicated, Merino advised caution regarding statements that various groups in the country might make.

"Prudence is necessary to get to the truth," Merino said. He pointed out that the advances made in investigations of the case prove the degree of democracy that prevails in the country.

Ponce on Possible Upcoming FMLN Offensive

PA2501213790 San Salvador Radio Cadena Sonora in Spanish 1200 GMT 25 Jan 90

["Excerpts" of news conference given by Colonel Rene Emilio Ponce, chairman of the Armed Forces Joint Chiefs of Staff on 24 January; place not given—recorded]

[Text] Colonel Rene Emilio Ponce, chairman of the Armed Forces Joint Chiefs of Staff, has disclosed a plan

prepared by the Farabundo Marti National Liberation Front [FMLN] to carry out attacks in various parts of San Salvador beginning this weekend, taking advantage of President Cristiani's trip to the United States where he will meet with UN Secretary General Javier Perez de Cuellar.

According to Col. Ponce, those actions are mainly a propaganda stunt aimed at the international arena.

Col. Ponce also referred to Operation Victory, which began in December and still continues. He said that the results of those armed actions have been satisfactory.

[Begin recording] [Ponce, in progress] ...is maintaining a permanent offensive to dismantle any group or prevent any regrouping of FMLN terrorists.

Operation Victory also seeks to protect our country's honest citizens and is also a reply to the FMLN's attack on the Salvadoran people which began on 11 November. It is also aimed at giving the necessary protection to the coffee, sugarcane, and cotton harvests.

The results of this totally offensive operation carried out by the members of the Armed Forces have been as follows: A total of 317 FMLN terrorists have been killed; 32 terrorists have deserted the FMLN and have turned themselves in; we have seized 362 weapons of various types and calibers, including 79 AK-47 rifles, 96 M-16 rifles, 70 AR-15 rifles, 3 M-60 machine guns, 6 RPG-7 rocket launchers, 3 RPG-18 rocket launchers, 2 M-79 grenade launchers, 2 60-mm mortars. I have mentioned the most important ones.

To reorganize its cadres or replace some of the numerous casualties it sustained since 11 November, the FMLN has carried out several kidnappings in various parts of the country. Since 7 December to date, 509 people have been kidnapped, most of them minors, mainly in the eastern region, where there have been 226 kidnappings.

The Armed Force's capabilities can be measured by the number of clashes we have engaged in. The terrorists have been trying to evade those clashes, but we have pursued them. Since 7 December to 26 January, there have been a total 665 clashes. We have also destroyed 36 logistical facilities used by the terrorists, as well as 45 mobile or temporary FMLN camps in various parts of the country.

On our side, we regret the heroic death in defending the sacred interests of our homeland of 102 members of the armed institution. In addition, 218 soldiers were wounded.

Of course, I must stress the sacrifice shown by our personnel. As you know, and I have publicly mentioned before, the Armed Forces have been on a state of alert since 9 December, and therefore, all leave for the soldiers has been cancelled since then.

I would also like to take advantage of this opportunity to inform you and publicly denounce the main actions the FMLN intends to carry out with its somewhat reorganized cadres. The FMLN plans to perpetrate these actions starting next weekend until 10 February. Included are terrorist actions, attacks on Army units primarily in the metropolitan area, and in specific areas which, according to the information we have, include the following: El Espino, Ayutuxtepeque, Soyapango, and the general areas of Saragoza and Huizucar. The FMLN plans to carry out terrorist actions in these areas to prove their presence there, to spread propaganda on a national and international level, and also to pressure the government into negotiating. Those are the FMLN's main objectives.

I repeat once more that, in accordance with the number of casualties suffered by the FMLN's second, third, and fourth-level commands, and by its fighting cadres, the FMLN is currently incapable of carrying out actions similiar to the ones carried out in November, which constituted an aggression against the Salvadoran people.

This is the information I wanted to convey to you and, of course, I am willing to answer any questions you may wish to ask.

[Reporter] [Question indistinct]

[Ponce] The truth is that the terrorists, who follow the Marxist-Leninist line of reasoning, are using the rumor technique. They have been spreading propaganda using rumors in various sectors of San Salvador and the interior. However, the Armed Forces are making a conscientious, intense effort to avoid the FMLN's reorganization, to prevent it from perpetrating another aggression against the people as they did on 11 November. The specific metropolitan areas which I mentioned are being patrolled constantly to prevent another aggression.

The civilian population can rest assured that we will not allow the FMLN to continue attacking them. That is what we are going to do with our Operation Victory.

[Reporter] [Question indistinct]

[Ponce] The problem is that all of these zones, for example El Espino and the southern part of San Salvador, are coffee-producing areas, and a large number of people are participating in the harvest. We presume that the terrorists are mixing with the harvesters, they are hiding their weapons and can retrieve them at any time.

You must understand that we cannot act in the same manner toward all coffee pickers. These are the kind of limitations that the Armed Forces are facing in this type of struggle. We are patrolling and combing the area to prevent the FMLN from conducting those actions.

[Reporter] Colonel, is there any specific reason why you said that the attacks could be carried out between this coming weekend and 10 February —I believe you mentioned that period of time, if I understood you correctly?

[Ponce] I believe there were two factors that made us think of that specific period of time. One is the fact that the FMLN released a communique some time ago, in which it presented a proposal establishing a 30-day period beginning on 6 January to hold talks. The other one is the fact that during that period, the Sandinist regime will concentrate all of its attention on the Nicaraguan elections. We believe those two factors are affecting the situation here.

In addition, because the U.S. Congress is currently holding its discussions, the FMLN wants to again demonstrate that it is still active in our country. It wants the attention of the U.S. Congress for propaganda purposes.

Lawyers Seek To Revoke Warrants in Jesuit Case

PA2601030890 San Salvador LA PRENSA GRAFICA in Spanish 23 Jan 90 p 2

[Text] The three lawyers who jointly defend the eight military officers who are under arrest and one who is at large accused of assassinating six Jesuits and two women, have asked the 4th Penal Judge to revoke the provisional arrest warrants issued on Friday 19 January.

The petition was presented at 1400 on 22 January to Judge Ricardo Zamora by lawyers Carlos Mendez, Raul Mendez Castro, and Oscar Caballero Penate.

The defense lawyers' request to revoke the arrest warrant is based on the fact that the defendants unofficially signed a deposition after the 72-hour limit established by law for this legal formality.

The judge has 6 days, after hearing the prosecutors' case to accept or reject the lawyers' petition. One of the defense lawyers, Caballero Penate, reported that the defense presented certifications issued by the Security Corps stating that the defendants were arrested on 5 January.

Col. Guillermo Alfredo Benavides Moreno, the highest ranking officer involved, was confined to National Guard installations and the rest of the defendants were detained at the National Police installations while the Crime Investigating Committee carried out the inquiries, it was reported.

The file on the Jesuits' assassination is voluminous and 150 witnesses will have to be subpoenaed. Only 2 have been asked to testify, given each defendant's unofficial deposition.

Judge Zamora issued arrest warrants based on the eight military officers' unofficial declarations. They all agreed on the way they carried out the assassination on 16 November 1989.

The defendants have officially denied the charges, and Col. Benavides Moreno's alleged participation is based on the declarations of three officers who presumably carried out his order based on his zeal to "eliminate the guerrilla leaders."

The alleged participation of the other military officers has been evaluated by the judge based on the fact that they (the defendants) confessed at the National Police, on different dates.

Prosecutor Rejects Request

PA2601032590 Panama City ACAN in Spanish 0153 GMT 26 Jan 89

[Text] San Salvador, 25 Jan (ACAN-EFE)—The Salvadoran prosecutor general's office today refused to authorize the release of eight military officers involved in the assassination of six Jesuit priests on 16 November.

The prosecutor general's office sent a note to the judge in charge of the case, Ricardo Zamora, denying the petition filed by the defendants' lawyers to revoke the provisional arrest warrants, claiming that technical mistakes had taken place in the investigation process.

Judge Zamora decreed on 19 January the provisional arrest of four officers, including Colonel Guillermo Benavides, and sent his resolution to the prosecutor general's office for its decision.

Following the decision of the prosecutor general's office, the judge must issue a ruling on 29 January, stating if he accepts or rejects the lawyers' appeal to attain their defendants' release.

Commander Denies Army Divided on Jesuit Case

PA2501183790 San Salvador DIARIO DE HOY in Spanish 20 Jan 90 pp 5, 15

[Text] "The Armed Forces are united," Colonel Francisco Helena Fuentes, commander of the 1st Infantry Brigade, said yesterday, denying that the Army is divided regarding investigations on the murder of the Jesuits.

After pointing out that the investigations in this case strengthen the peace process, the military leader added that it is necessary to wait for the results of those investigations. He said that the government has done "what it had to do."

Regarding the Army's so-called "self-purge," Helena Fuentes said that is a term used by the FMLN [Farabundo Marti National Liberation Front]. He said that the Armed Forces' structure allows the military to be on inactive duty for a certain period of time.

Regarding the possibility of another terrorist offensive, the commander of the 1st Infantry Brigade said the subversives have suffered a great defeat and that if they embark on another "adventure" they will be repulsed by the people. The small groups that are still carrying out terrorist activities would have to defeat 5 million Salvadorans to take power by force, he said.

Labor Leader Reports 256 Arrests Since November

PA2501201190 Panama City ACAN in Spanish 2203 GMT 24 Jan 90

[Text] San Salvador, 24 Jan (ACAN-EFE)—The National Union of Salvadoran Workers (UNTS), the largest labor union in the country, reported today the arrests of 256 people between 11 November, when the guerrilla offensive was launched, and 9 January 1990.

Julio Cesar Portillo, a member of the UNTS National Executive Committee, explained that most were arrested on charges of "alleged participation with the guerrillas," and six workers "have disappeared after being detained."

Portillo described the arrests and disappearances as "an illegal and unjustified act of repression, because the state of siege imposed by President Alfredo Cristiani is being used by the Army to commit atrocities in the name of the law."

The government imposed the state of siege on 12 November, 1 day after the Farabundo Marti National Liberation Front launched a major military offensive.

Portillo said that "this law legalizes human rights violations, and it is being used to carry out mass dismissals, searches, and raids of labor union headquarters."

According to the labor leader, so far 37 humanitarian and labor union buildings have been "occupied and looted," and 2 have been taken over as Army "headquarters."

Nicaragua

Opposition Denounces Electoral Fraud Process

PA2601005690 Panama City ACAN in Spanish 2158 GMT 25 Jan 90

[Text] Managua, 25 Jan (ACAN-EFE)—The National Opposition Union (UNO), which is comprised of 14 Nicaraguan political parties that oppose the Sandinist National Liberation Front (FSLN), today denounced the "open electoral fraud process" being perpetrated with regard to the 25 February elections.

Representatives of the opposition coalition's political council claimed at in a news conference that they had reported approximately 40 cases of electoral irregularities to the Supreme Electoral Council (CSE), which is in charge of the elections.

The reports presented to the CSE specifically mention the Sandinist Government's intention to secretly count the votes.

"We want the vote-counting process to be carried out publicly so that the people can watch through the windows where each vote-counting board is located, and see the results for themselves," said UNO leader Hernaldo Zuniga.

They also denounced the death threats that have been made by State Security members against the opposition coalition's candidates and sympathizers.

A communique issued by UNO today states that opposition candidates are "visited" by FSLN activists to get their resignation.

Different UNO activists were presented during the news conference today. They denounced the intimidation, aggression, and illegal arrests being carried out in different parts of the country by Sandinist sympathizers.

The communique specifically mentions the "incredible" threat issued by Defense Minister Humberto Ortega in December to "exterminate UNO leaders in case a U.S. invasion occurs in Nicaragua."

UNO, the presidential candidate of which is Violeta de Chamorro, has also denounced to various international organizations (the UN, the OAS, and the Carter Foundation) the obvious advantage that the FSLN has in the state-owned media. The FSLN "abuses them as if it was the sole owner of assets that belong to all the Nicaraguan people."

UNO also complained that the opposition coalition could not register a large number of persons in many zones throughout the country, and that Daniel Ortega's administration does not let them purchase material for the electoral campaign.

Referring to this, UNO denounced that only a small part of the donation ($1.2 million) from republican and democratic organizations linked to the U.S. Congress was issued. The rest of the funds have been tied up by a complicated bureaucratic system.

UNO also reported that more than 400 voters have registered with many of the 4,000 vote-counting boards located throughout Nicaragua, thus making it impossible for everyone to exercise their right to vote during the 11 hours of the 25 February voting process. [sentence as received]

Poll Reveals 'Considerable Lead' for Ortega

PA2501151090 Managua Radio Sandino in Spanish 1200 GMT 25 Jan 90

[Text] A public opinion poll conducted by the prestigious U.S. Greenberg-Lake firm has revealed that the Sandinist National Liberation Front [FSLN] has achieved a considerable election lead over the National Opposition Union [UNO] this month.

According to the poll, only 1 month from election day, FSLN presidential candidate Daniel Ortega has most of the votes and maintains a considerable lead of 51 to 24 percent over UNO candidate Violeta Barrios. In other words, 510 of every 1,000 voters would vote for Daniel Ortega, while only 240 of them would vote for Violeta Barrios.

The poll, sponsored by the Organization of Hemispheric Initiatives of Boston, which also conducts polls in Chile and Paraguay, indicates that 8 percent of the voters would vote for the small parties and that 16 percent of these voters are still undecided.

The poll indicates that Ortega has gained more support since the beginning of the campaign. The poll adds that when the last poll was conducted in November 1989, Ortega was favored by 44 percent while Violeta Barrios was favored by 27 percent.

In January 1990, the FSLN candidate increased his lead by 7 percent while the UNO candidate's popularity declined by 3 percent.

The Greenberg-Lake firm poll reveals that Daniel Ortega's prestige and popularity have increased as a result of the U.S. invasion of Panama. The poll conducted by the U.S. Greenberg-Lake firm along with the Nicaraguan Institute of Public Opinion yesterday revealed that the U.S. support for UNO has reduced the popularity of UNO's presidential candidate Barrio.

According to the poll, the invasion of Panama increased Nicaraguans' confidence in Ortega's leadership. The poll indicates that 64 percent of the people polled described the gringo action in Panama as very bad.

Another very revealing poll result shows that 67 percent of voters believe UNO is too closely linked to the contra movement.

As another political party has been saying, the UNO political leaders are cautiously handling the information and estimates of UNO's chances of winning the elections.

UNO spokesmen indicated that the polls are a purposeless, propaganda trick that only creates false expectations. The UNO spokesmen, however, forgot to mention that the newspaper LA PRENSA, UNO's most important mouthpiece, gives loud and noisy publicity to the polls that are favorable to UNO but ignores those that are unfavorable to UNO.

The UNO spokesmen said that it is very risky to make predictions and stated that there are only two alternatives: the FSLN and UNO.

Managua Press Election Review for 20, 21 Jan

PA2401170790

[Editorial Report] The following is a review of selected reports published in the Managua press on 20 and 21 January dealing with the Nicaraguan election campaign. Press reports on major developments in the election will be processed and filed separately by FBIS Panama Bureau.

The opposition paper LA PRENSA carried a front-page report on 20 January claiming that workers of the state-owned telecommunications company, TELCOR, are being pressured into voting for the Sandinists in the coming elections. The report says that the workers are being asked to sign a sheet stating that they intend to vote for the FSLN, and that the "implied threat is: 'Whoever does not do so will be fired.'"

The following day, 21 January, the official FSLN organ BARRICADA countered with similar charges of underhanded electioneering against the National Opposition Union, UNO. Under the banner headline "UNO Sabotages Identification Booklets," a front-page item charges that UNO militants are asking people around the country for their identification booklets, which they promptly proceed to stain or deface, invalidating them for use in the elections. The story adds that these UNO militants are posing as officials of the Supreme Electoral Council, CSE, and are offering the people of the town of Ticuantepe "up to $100" if they vote for the UNO.

A 20 January FSLN communique published on page 4 in the same issue of BARRICADA informs the people that they do not have to show their identification booklets to anyone except to polling officials on election day, and urges anyone whose booklets have been damaged or defaced to try to obtain a replacement before the elections.

According to a report in the 21 January issue of the government newspaper EL NUEVO DIARIO, appearing on pages 1 and 8, vice presidential candidate Sergio Ramirez Mercado used the same charges as one of the main themes of his 20 January campaign speeches in Ticuantepe, Sabana Grande, and Villa Libertad. The report adds that during Ramirez' "triumphant swing" through the three towns, he commented on the UNO campaign, saying that justice is necessary for peace, but peace will be unattainable "with a foreign embassy ruling the country." President Daniel Ortega, who is running for reelection, also mentioned the UNO during a speech delivered in Matiguas on 20 January.

According to a front-page report on the visit carried in the same issue of EL NUEVO DIARIO, Ortega challenged the UNO criticism of the compulsory Patriotic Military Service, pointing out that it is the war, and not the military draft, that is killing Nicaraguan youths. The report says that Daniel Ortega told the UNO politicians that if they truly do "not want more dead, more widows, and more grieving mothers, then put an end to the war!"

In its 21 January issue, BARRICADA on page 4 carried a report on the 20 January UNO campaign rallies in Villa Carlos Fonseca, Granada, and San Rafael del Sur. The report paints a picture of an opposition in disarray, claiming that vice presidential candidate Virgilio Godoy did not show up as scheduled and that there was infighting between Pedro Joaquin Chamorro, Jr., presidential candidate Violeta Chamorro's son, and Antonio Lacayo, her son-in-law—with the latter apparently getting the upper hand. The report says that Lacayo constantly interrupted the speakers, including Mrs. Chamorro herself, who had to beg him to allow her to

speak. The BARRICADA account portrays an ailing Violeta Chamorro being carried around in a wheelchair due to a fractured leg and feeling faint due to low blood pressure. BARRICADA says that Mrs. Chamorro urged the nation's youths "to hide in the mountains" so as not to be sent to "the war invented by the Sandinists," and she downplayed the threatening phone calls that she receives by saying that they "simply go in one ear and out the other."

Official Says Army Retired 15,000 Men in 2 Years

PA2501165090 Hamburg DPA in Spanish 0014 GMT 23 Jan 90

[Text] Managua, 22 January (DPA)—Colonel Hugo Torres, member of Sandinist People's Army [EPS] command staff, said today in Managua that the Army has retired approximately 15,000 men from active service in less than 2 years.

Torres said that the retirement of soldiers is due to the cut in the defense budget and to the relative decline in war activity because of new alternatives for achieving peace in Nicaragua.

Col. Torres, who has been EPS Political Section chief since the organization was formed 20 years ago, said that the Army could be further reduced depending on how much progress is made in the peace process.

The Nicaraguan officer did not provide any details on the number of soldiers currently in the Armed Forces.

Contras Reportedly Kidnap 80 Coffee Pickers

PA2501202790 Managua Radio Sandino in Spanish 1200 GMT 25 Jan 90

[Text] On 22 January, contras kidnapped 80 coffee pickers on the Santa Teresa Farm, located 30 km north of Jinotega. The National Commission for the Promotion and Defense of Human Rights [CNPPDH] publicly reported this yesterday and called on international organizations to demand that the peasants' lives be respected and that they be returned to the country.

The CNPPDH received the report from Mrs Maria Vivas Garcia, the mother of Juana Maria Vivas, 20, one of the peasants from Boaco who was kidnapped.

Panama

Endara Thanks Bush for Requesting Aid

PA2501214390 Panama City ACAN in Spanish 2008 GMT 25 Jan 90

[Text] Panama City, 25 Jan (ACAN-EFE)—President Guillermo Endara today thanked U.S. President George Bush for the more than $1 billion in economic aid he will request from the U.S. Congress for Panama.

A Panamanian Government source disclosed that prior to making the announcement, Bush spoke to Endara by telephone this morning to inform him of the amount he will request from Congress to cooperate with Panama's economic recovery, and to partially repair the damage caused by the 20 December invasion.

Bush is trying to get Congress to approve approximately $500 million in cash and another $500 million in credits, according to U.S. Government sources.

The source added that Bush also plans to request an additional $40 to $50 million in urgent humanitarian aid, which could be used to rebuild homes and businesses damaged during the U.S. invasion.

During an address to the nation, Endara explained that although the totals announced "are not the full amounts we requested," the sum total constitutes "very generous" support for a short-term reconstruction plan.

Endara's government plans to use the U.S. aid to establish "immediate employment" for the lowest income sectors of the population, to "inject liquidity" into businesses and the banking system, and to carry out economic and social infrastructure projects.

Guillermo Endara explained that concurrent with the receipt of U.S. aid, his government will maintain "strict discipline and ration the expenses" of the state's general budget, which he has not yet disclosed.

Endara also announced that with this plan he intends to "clean up" Panama's economic structures by "doing away with favoritism and by dismantling all hindrances to the functioning of a market economy."

As the final point of his short-term emergency plan, President Endara plans to restructure the public sector and turn it into an efficient source of development."

Endara's Speech

PA2501220690 Panama City Circuito RPC Radio in Spanish 2100 GMT 25 Jan 90

[Message to the nation by President Guillermo Endara on 25 January; place not given—recorded]

[Text] Compatriots:

I have listened with great interest and pleasure to the announcement by U.S. President George Bush regarding the economic aid to Panama, consisting of humanitarian assistance, direct support to government actions, and benefits for the national economy exceeding $1 billion. The measures include U.S. support for Panama in recovering its status with multilateral credit organizations, which means additional financing to the tune of $400 million.

The assistance announced by the U.S. President corresponds to each one of the points on Panama's economic reconstruction program and, in this sense, it matches our

own plans and respects the Panamanian people's decision to decide by ourselves the manner in which we will reconstruct our economy. Even though the announced amounts do not fully meet our desires, the total amount represents extremely generous support. The promptness with which it has been announced is also timely.

With the announced assistance we will be able to address the following aspects of our plan within a short time:

1. To create jobs immediately for the lower-income population sectors and at the same time build important works for communities.

2. To infuse liquidity into businesses and the banking system to normalize their operations and to enable them to begin a widespread process of creating jobs and production.

3. To carry out priority economic and social infrastructure works that are essential to our country's development, and at the same time, contribute to the creation of jobs while they are being carried out. As I told the country—along with the vice presidents—a week ago, the most important element in the reconstruction program continues to be self-help.

Referring to this, the following actions will be carried out simultaneously with the United States' help:

1. A general state budget will be approved for 1990, in which expenses will be strictly and rationally controlled. This implies, among other things, a substantial reduction in the payroll from the 1989 level and a redistribution of expenses, giving priority to the health, nutrition, education, and housing programs.

2. The country's economic structures must be purged, eliminating favoritism and removing obstacles that preclude the functioning of the market economy.

3. The public sector will be reorganized, reducing its excesses, to turn it into an efficient instrument for our development.

I wish to end by stating, on behalf of the Panamanian Government and people, our gratitude for President Bush's initiative; and to assure my fellow citizens of the unavoidable need to strive for and carry out a program that entails effort, work, and sacrifice in building a new country that will benefit the current and future generations of Panamanians.

God bless Panama.

Ministry Issues Communique on Asylum Seekers

PA2501231090 Panama City Radio KW Continente in Spanish 2200 GMT 25 Jan 90

[Communique issued by the Foreign Ministry on 25 January; place not given]

[Text] Concerning the situation of persons who have sought asylum at foreign diplomatic missions, the Foreign Ministry reports the following:

A. Panama will respect, as a signatory, the 1954 Caracas Convention on diplomatic asylum and therefore it will provide to foreign missions whatever protection and facilities are necessary, in line with international law and practice.

B. Panama, in line with the penal code and laws in effect in the country, will supply to the diplomatic missions evidence of the common crimes with which some of the persons in asylum have been charged so the state granting asylum may determine, once in possession of this information, the status these persons are to have.

C. The national government has named a special commission to examine the situations of each of the refugees at foreign embassies. The commission is formed as follows: for the Foreign Ministry, Julio E. Berrios H., coordinator; for the Attorney General's Office, Julia Pardo; and for the Government and Justice Ministry, (Ebrahim Aswap). The commission may seek advise from other administration employees.

The aforementioned commission has recommended that safe conduct be granted to the following people, allowing them to decide whether they wish to leave the country or remain within the national territory:

At the Cuban embassy: Jean Manuel Beauchamp, minor, may leave the country with his parents' written consent. Regarding Mr. Jean Manuel Beauchamp and Sandra Noriega, we have been informed that possibly by 1700 a note may be presented at the Cuban ambassador's residence or the Cuban Embassy whereby it is officially announced that Jean Manuel Beauchamp and Sandra Noriega are entitled to $10,000 bail and may leave the embassy.

The note explains that neither of them will be allowed to leave the country, but that they will not be subject to arrest in accordance with bail procedures. Bail has been set at $10,000, and the official notice from the courts of justice may be presented to these persons by 1700.

At the Peruvian embassy: Patricia Carolina Coute, minor, with her parents' written consent; Daisy Batista de Sucre and Maria Elena Sucre Batista, minors, with parents' written consent; Marisabel Sucre Batista, minor, with parents' written consent; Heraclides Humberto Sucre Batista, minor, with parents' written consent; and Judith Medina de Sucre. These are the people who have been granted safe conduct.

Also granted safe conduct at the Cuban embassy are: Agripina Cedeno de Gomez; Luis Gomez Cedeno, minor, with his parents' written consent; Jose Luis Gomez, minor; Milena Gomez Cedeno, minor.

Lawsuits have not been filed against the aforementioned people. Concerning the minors, it is recommended that they be exempted from penal trials because the law prohibits such action.

Thus concludes the communique issued a few minutes ago by the Foreign Ministry.

I must also report that a few minutes ago, bail for former Lieutenant Colonel Virgilio Mirones was set at $10,000. I was also informed a few minutes ago that Captain Luz Maria Llorente has also requested bail. The details of her request will be disclosed tomorrow morning because the prosecutor appealed her bail, which had been set at $300. The second municipal prosecutor appealed her bail and her case has been sent to the appeals court.

I have also been informed that on the Atlantic side, an operation was initiated at approximately 1500 during which a large number of containers hidden at strategic points known to Finance and Treasury Ministry employees [as heard] were detected. It is expected that within a few hours arrest warrants will be issued against ranking Finance and Treasury Ministry employees, inspectors, and individuals who were involved in customs procedures, surveillance, and the protection of customs facilities.

Former Colonel Luis Cordoba Reportedly Arrested

PA2601150790 Panama City LA PRENSA in Spanish 26 Jan 90 p 1

[Text] Unofficial reports indicate that [former Panama Defense Forces Colonel] Luis Cordoba, one of Manuel Antonio Noriga's closest aides, was arrested at 2030 on 25 January in the Costa del Sol building on Federico Boyd Avenue. Cordoba was apparently in Apartment No. 121 in the company of two women who have yet to be identified but who, according to neighbors, were dancers at a well-known night club.

U.S. Army soldiers cordoned off the area and arrested Cordoba, taking him handcuffed out of the building through the basement. Neighbors identified Luis Cordoba as an olive-skinned, somewhat heavy-set man who was letting his beard grow.

A U.S. soldier who was asked by LA PRENSA about Cordoba's arrest replied: "If you have waited this long, you can well wait until tomorrow. Call the Military Police."

There are charges against Cordoba in connection with the murder of Dr. Hugo Spadafora.

Former Community Development Official Arrested

PA2501163390 Panama City CRITICA LIBRE in Spanish 24 Jan 90 p 1

[Text] Journalist Marcelino Pinzon has told this newspaper that Rafael Moreno Saavedra, former director of the General Directorate of Community Development, DIGEDECOM, was arrested yesterday in Macaracas.

Pinzon reported that Moreno had been in hiding and holding meetings with Dignity Battalion members in that town in Los Santos Province.

U.S. Army and Public Force members arrested Moreno and took him to the Las Tablas Garrison.

Comptroller Discloses Foreign, Internal Debt

PA2601034290 Panama City CRITICA LIBRE in Spanish 24 Jan 90 p 1

[Text] Acting Comptroller General Ruben Dario Carles yesterday disclosed that Panama's public sector debt totals 5,987,381,813 [currency not specified]. The breakdown of the debt is as follows: foreign debt to international organizations—1,604,264,182; to private sources—2,209,272,817. The total foreign debt is 3,813,563,999. The breakdown of the internal debt is as follows: private sources—156,578,493; public sector sources—1,349,570,842. These figures total 1,506,148,975. Adding other items detailed in the report, the country's current public debt reaches 5,987,381,813.

It is worth noting that the foreign debt primarily consists of payments owed to international credit organizations like the Agency for International Development, which is owed 164,716,525; the Inter-American Development Bank, which is owed 481,577,039; the IMF, which is owed 329,091,295; the Venezuelan Investment Fund, which is owed 104,233,313; and Mexican Petroleum, which is owed 68,404,852.

As for the internal debt, the breakdown with regard to public sector sources is as follows: Social Security Institute bonds—41,359,500; financing from government banks—254,672,469; inter-institutional financing—254,421,432; National Bank I.O.U's—109,500,852; and Social Security Institute I.O.U's—689,616,299.

We must note that the figures listed above mean Panama is one of the world's most heavily indebted countries, at least as far as its foreign debt is concerned. The foreign and internal debt means the country is just about mortgaged, a situation that is evidently the result of the administrative mismanagement by the military regime that began in 1968 and ended on 20 December 1989, with the toppling and arrest of former dictator Manuel Antonio Noriega.

Deputy Planning Minister Discusses Debt Problem

PA2501194790 Panama City Circuito RPC Radio in Spanish 1200 GMT 25 Jan 90

[Passages within quotation marks recorded]

[Text] A delegation of IMF, Inter-American Development Bank [IDB], and World Bank representatives met with ADOC [Civic Democratic Opposition Alliance]

political leaders and with Jose Galan Ponce, deputy planning and economic policy minister, at the Justo Arosemena Palace yesterday afternoon.

The participants at the meeting discussed the current Panamanian economic situation, the Panamanian Government short-term and long-term policies for the revitalization of the economy, and the future of the Panamanian economy.

At the end of the meeting Galan Ponce talked about Panama's debts with the aforementioned international organizations.

[Galan] "Our currently overdue debt with these three financial organizations totals $540 million."

Galan also discussed the chances that the Panamanian Government has of paying off its debt with the IMF, the IDB, and the World Bank.

[Galan] "If we try to pay that debt with our own resources, we would be talking about a long-term payment, of course. I believe the comptroller general was very clear when he described the government's difficult financial situation and the chaos and crisis in which we found the public finances. Obviously, the government's first priority is the recovery of the national economy, and especially the improvement of employment levels and the levels of the people's basic income.

"As Panamanian Vice President Guillermo Ford has stated, Panama is asking some friendly countries and mainly the U.S. Government for their cooperation. Panama is asking them to make direct and substantial payments toward our debt with these organizations.

"We do not have the resources to pay off that debt—or at least we cannot use the resources available to us to pay that debt, because there are other priority needs the government must attend to."

[Reporter] "How can the privatization of certain government enterprises help the government in this regard?"

[Galan] "The privatization process is basically seeking the elimination of burdens that are harming the national economy. It is seeking the elimination of enterprises showing deficits. That is the main criterion used to approach the problem. However, the enterprises that will be turned over to private hands should be carefully selected because of the effect that their privatization will have on the government economy."

[Reporter] "Does the government plan to turn IRHE [Institute of Hydraulic Resources and Electrification], IDAAN [National Water and Sanitation Institute], and INTEL [National Institute of Telecommunications] over to private hands?"

[Galan] "At present, the privatization policy is particularly aimed at enterprises showing deficits, as I stated before. Neither IRHE nor INTEL is showing a deficit. I believe the privatization policy should aim at eliminating enterprises that are a deadweight for the public economy and also at promoting new investments in the country."

Galan Ponce asserted that the new government will ensure the new IMF policies do not affect Panama's most needy groups.

[Galan] "What we have to do now is revitalize demand, too. Perhaps the only important change that was not made during the crisis is the reduction of the size of the public sector. The highest government officials have decided that there will be no massive dismissals of public employees. There is a formal commitment in that regard. There will be, however, some changes, especially in cases that affect the public economy more severely, for example unmerited high salaries and public posts that have no real function, among others. Changes will be made for those reasons, but not because of the IMF's impositions."

Media Coverage of Economic, Banking Activities

PA2501222790

[Editorial report] Panama City CRITICA LIBRE in Spanish carries on 17 January on pages 1 and 9 a 200-word report by Justino Gonzalez on the disappearance at the the Attorney General's office of "nine volumes of files on Operation Piscis, carried out 2 years ago by U.S. authorities, in which $14 million deposited in several banks were frozen." The report cites Attorney General Rogelio Cruz as stating that his predecessor, Carlos Villalaz, ordered the release of the funds without authorization from U.S. authorities.

Panama City LA ESTRELLA DE PANAMA in Spanish carries on 22 January an 800-word editorial on page A4, noting the concern by National Banking Association President Edgardo Lasso about a "U.S. request that Panama sign a treaty on the exchange of information on banking accounts allegedly linked to drug trafficking." While stating that Panamanian banks are willing to fight drug trafficking and money laundering, the editorial concurs with "local banking sectors that there is no need to do away with the protection they offer their clients just to attack money laundering from all sides." The newspaper recalls that the local banking system has been beset by serious problems caused by the flight of deposits to the United States and other banking centers, and notes that the proposed legislation would further weaken this system. "Instead of pressuring Panamanian bankers to break away from banking secrets, U.S. authorities should present the proof they claim to have to finish, once and for all, this unlawful and criminal practice in this country," the editorial advises.

Panama City LA PRENSA in Spanish on 24 January carries on page 1A a 150-word report by Zoila Rodriguez Jovane on the decision by the Panama City Municipal Council to approve a temporary $4.8 million budget. "The emergency budget approved by representatives for

the period from 1 January to 31 March, will serve to pay immediate expenses over the next 3 months, such as the salaries, services, social assistance, and subsidies the community demands."

The same newspaper on that day also publishes a 300-word report on page 12A by Nubia Aparicio, stating "the Colon Free zone is 85 percent recovered after experiencing losses in the millions of dollars from the 'plundering and looting' that took place during the days following the U.S. military invasion." According to Nessim Bassan, president of the Association of Colon Free Zone Users, "losses totalled $46 million in the Cristobal, Cocosolo, and Bahia Las Minas ports." The newspaper report adds that, "as for the losses in the warehouses looted in the Free Zone, Bassan said they totalled $26 million, primarily, in the France Field area."

The same newspaper on that date also publishes on page 12A a 300-word report by Zoila Rodriguez Jovane on a study by the Panamanian Chamber of Commerce, Industries, and Agriculture, urging the government take steps to prevent dismissals in the sector that includes finance companies, furniture stores, pawn shops, and other similar credit businesses. "The study, signed by Rolando Gonzalez, notes this business sector, which consists of small-scale and medium-scale enterprises, has experienced the most shrinkage in jobs since the start of the crisis in 1987. As a result, the number of jobs has been reduced to 930, when this sector could hire 6,350 persons."

Panama City Telemetro Television in Spanish at 2300 GMT on 24 January carries a 2-minute report on statements by Guillermo Marquez Amado, chief of the General Consular and Ships Directorate, that the Panamanian Merchant Marine is growing again. "Just 2 days ago, the Merchant Marine grew by 300,000 tons, and yesterday that figure rose by 47,000 tons," Marquez notes. This official adds that "567 ships cancelled their Panamanian registry, and 104 of them have returned."

Split Within Government Parties Denied

PA2501214590 Panama City Radio KW Continente in Spanish 1200 GMT 21 Jan 90

[Text] Alfredo Ramirez, president of the Panamanian political party MOLIRENA [Nationalist Liberal Republican Movement], has denied that there is a division within the government parties because of quarrels over the assignation of public posts.

Alfredo Ramirez gives us details about this information:

[Begin recording] [Ramirez] No, I do not believe that is true. There is no evidence of that division either. The assignation of important public posts has been made by the president, taking into account what is best for the country. He has chosen a government team, which I describe as very distinguished, competent, and efficient. The various government political parties are cooperating with the government team without any quarrel over public post assignations. We would be the first ones to criticize and condemn such quarrels.

[Unidentified reporter] Is there any indication that there could be a split within MOLIRENA and its internal organization?

[Ramirez] Not at all. On the contrary, MOLIRENA is currently more united than ever. MOLIRENA is very eager to participate in the country's reconstruction. The MOLIRENA members are very supportive of its leaders. We have worked together and we attained a very significant victory in the May elections. The MOLIRENA rank and file have great confidence in their leaders.

[Reporter] Panamanians are, however, a little bit impatient and distrustful, especially about the prevailing danger and the fact that nothing has been done about the unemployment problem. What is your party's position regarding these social phenomena?

[Ramirez] This government has only been in power for 30 days. It atttained power when practically all the sectors of the society had sunk into chaos, including the social, economic, and security situations. The government is conducting very methodical and efficient work. Those problems will be solved. We should not be impatient. We cannot demand miracles. I believe everybody is working for the good of the country. [end recording]

Communique on Use of Funds by Former Presidents

PA2501200890 Panama City CRITICA LIBRE in Spanish 24 Jan 90 pp 1, 6

[Communique issued by the Comptroller General's Office in Panama City on 23 January]

[Text] In fulfillment of its responsibility to keep the community informed, the Panamanian Comptroller General's Office believes it is necessary to reassert its position regarding recent reports linked to the result of investigations about large sums of money allocated to and used by the various Panamanian executive branch chiefs appointed during the military regime from October 1968 to 20 December 1989.

We must add that some of the former executive branch chiefs who occupied the Panamanian presidency during the aforementioned period have tried to justify and support the administration, use, and handling of those public funds through letters or notes, in which they claim the legality of the so-called "executive branch fund." In their notes, they claim that the executive branch fund was approved by the legislative branch and included in the general state budget. In their letters, the former executive branch chiefs list some of the services or activities paid for with the said funds.

It is necessary to clarify to the public that the assertions and comments made by some former presidents are not

valid evidence that the funds received by the executive branch were appropriately used.

We must point to Articles 19 and 20 of Law 32 of 8 November 1984 and 1089 of the Fiscal Code, which establish that "all those who receive, handle, safeguard, or administer public funds or goods must account for them before the Comptroller General's Office." Up to now, none of the said former public officials have accounted for the handling of the funds placed at their disposal. According to Article 165 of Law 28 of 31 December 1986 and 1090 of the Fiscal Code, their nonappearance before the Comptroller General's Office makes it impossible for this office to free them from either patrimonial or criminal responsibilities in regard to the handling of these funds. In accordance with Article 75 of Law 32 of 1984 and 1092 of the Fiscal Code and because of their nonappearance before the Comptroller General's Office, it is also very unlikely that this office would issue them a final settlement as proof that they have honestly administered the resources placed at their disposal.

The mere listing of the Presidency expenditures, regardless of how detailed it may be, is not the same as accounting for the handling of funds; and more so when there are no supporting documents or receipts for the listed expenditures.

The Comptroller General's Office is not raising any charges. It is only asking the former presidents to account for the funds allocated to the Presidency as the law establishes.

Panama, 23 January 1990

Politician Views Delay in Assembly's Installation

PA2501170990 Panama City Telemetro Television in Spanish 2300 GMT 23 Jan 90

[Passages within quotation marks recorded]

[Text] Politician Carlos Arellano Lennox has said the delay in the proclamation of those who were elected legislators and corregimiento representatives in the May elections is preventing the resumption of Legislative Assembly activities. Those involved in electoral tasks must proclaim the winners as soon as possible so they can assume their posts.

According to Arellano, who is currently responsible for the Legislative Assembly facilities, the government of national reconstruction will not be consolidated until the Legislative Assembly begins operations. Arellano Lennox stressed that for the government to carry out its reconstruction plans, the Legislative Assembly must be installed, even if not all the seats are assigned.

[Arellano] "I have insisted on and stressed the absolute need to install the Legislative Assembly. I think this need is now a general outcry. Yesterday I read that even the Catholic Church made a statement on this. We are operating with only one government branch. As long as the three government branches are not duly established, the government will not be consolidated.

"I urge the members of the Electoral Tribunal to do something about this situation. I also want to ask a number of citizens who are now filing certain claims to think more about the homeland than about their own interests."

In addition, dozens of employees of the former Legislative Assembly are demanding to be reinstated in their posts, and they are also demanding respect for their rights. Mario Dominguez is one of the affected employees:

[Dominguez] "Dr. Arellano stated that we are undergoing a so-called investigation. We do not know the reasons for the investigation or what argument is being used to justify the nonpayment of our wages. In addition, the Comptroller General's Office stated that we are not getting paid because we have not entered the Legislative Assembly facilities. How can we enter the facilities if the main entrance is closed and if we are not allowed access to the building?

"It has also been said that approximately 200 employees have been dismissed, but we do not know the reasons for the dismissals."

Arellano Lennox expressed his point of view regarding the labor situation in the Legislative Assembly:

[Arellano] "When I arrived at the Legislative Assembly, I found a list saying that 68 employees were dismissed on 16 November. I found a second list of emloyees who were going to be paid their wages only up to 15 December. In addition, we also found a payroll called Payroll No. 4, which included former legislators and personnel such as secretaries and drivers. That payroll disappeared the moment the Legislative Assembly was dissolved."

Acting Mayor of Colon District Resigns

PA2501184390 Panama City LA ESTRELLA DE PANAMA in Spanish 22 Jan 90

[Letter of resignation from Luis Olmedo Saenz Molina, acting mayor of Colon District, to President Guillermo Endara Galimany on 19 January]

[Text] Colon, 19 January 1990
Guillermo Endara Galimany, President of the Republic
Panama City

Your Excellency,

First of all, I want to thank you for honoring me with the appointment as acting mayor of Colon District. This appointment was greatly welcomed by all social and political sectors of the city, who demonstrated to me the support, respect, and admiration that I earned through my long career dedicated to honest and honorable work.

However, today I present my irrevocable resignation, because I am aware that the parties that supported your presidential candidacy have a great interest in appointing one of their members for the position in Colon District, and I do not want to be a stumbling block on the road to democracy, reconstruction, and reconciliation in the country.

For this reason, I place my position at your disposal, to leave you free to appoint the new mayor of Colon District.

In my case, as you know, I was a candidate for legislator for MOLIRENA [Nationalist Liberal Republican Movement], but I continue to follow the doctrine bequeathed to us by Dr. Arnulfo Arias Madrid, and I will be on the streets working as long as is necessary to register our glorious Arnulfist political party.

Sincerely yours,

Luis Olmedo Saenz Molina
Acting Mayor, Colon District

Journalist Accuses Cuba of Subversive Activities

PA2601035490 Panama City EL SIGLO in Spanish 25 Jan 90 p 10

[Report by Francisco Bosquez Franco]

[Text] The Cuban charge d'affaires in Washington said in the U.S. capital that Fidel Castro's regime is going to begin subversive actions against Panama because deposed General Manuel Antonio Noriega has been involved in alleged drug-trafficking and gun-running activities, despite the fact that Noriega is currently under detention and President Endara's government has nothing to do with the relationship of the two military men.

The announcement was made in Panama by journalist Mayin Correa, who said the Castro regime, together with Latin American communists, has designed a guerrilla plan in San Jose, Costa Rica, to intervene in Panamanian territory and inflict grief on the suffering isthmian families. Castro, who has been in power for 31 years, ratified his decision when he saw a photograph published in a U.S. newspaper showing the Cuban dictator embracing drug trafficker Manuel Antonio Noriega.

The Panamanian people on many occasions have requested that President Endara's government immediately break relations with Cuba, Nicaragua, and Peru for having turned their embassies here into refugee centers for the most corrupt murderers, who tortured defenseless Panamanians for 21 years.

Paper Demands U.S. Indemnification for Citizens

PA2501183290 Panama City EL PANAMA AMERICA in Spanish 23 Jan 90 p 2A

[Article by Humberto R. Ricord: "The Destruction of Panama: Who Should Pay?"]

[Text] As a result of special and well-known events, Panama entered 1990 amid physical, economic, social, moral, and institutional destruction. This is not an exaggeration but a reflection of a tragic national reality.

In this article, we will deal with the physical and economic destruction, because those two factors contributed the most to the current total collapse. In a brief essay we published in January 1989, we stated that the economic sanctions imposed by the United States in 1988 were a true economic genocide, because more than harming the narcodictator and his government, they destroyed the Panamanian economy. Those economic sanctions clearly point to the one that decreed them: the U.S. Government.

The overwhelming and ferocious act of war carried out by the United States in the early morning of 20 December 1989 against 12 Panama Defense Forces [FDP] installations shattered and destroyed the FDP. The whole country also experienced the absolute and chaotic disruption of public order. Without a local police force and without the invading army adopting measures to protect Panamanian lives, stores, industries, and houses, we were left at the mercy of looters and criminals and at the mercy of a destructive rage promoted by the Dignity Battalions and the CODEPADIS [Committees for the Defense of the Fatherland and Dignity] in the cities of Panama and Colon. As a direct result of the act of war, $1 billion in merchandise and property were either looted or destroyed.

We seriously believe the Panamanian Government has the obligation to send a well-founded claim to the U.S. Government based on arguments established by international legal order and by the laws prevailing in the world's civilized countries. The United States must indemnify Panama and all the economic victims who experienced enormous property losses, estimated in the millions. That claim, based on moral and legal factors and backed with appropriate evidence should not only be supported by those directly affected, but by all Panamanian business and labor associations. We should also request an urgent initial payment, taking into account that Panama will not even request compensation for the moral harm inflicted on the Panamanian people.

Although the Panamanian people are aware and admit that only the U.S. Army was able to eliminate the horrendous empire of the narcodictatorship, we are also aware that the aforementioned act of war was ordered and carried out by the U.S. Government to protect its great interests as a world power; to protect its own interests in the Panama Canal; to protect its society, which is corrupted by drug trafficking; and to protect its international prestige in view of the narcodictator's criminal and frenzied challenge. President Bush evoked the restoration of democracy in Panama, but former President Reagan supported the election fraud that placed Nicolas Ardito Barletta in the Panamanian presidency in 1984.

Panama is not requesting the kind of humanitarian aid that can be stingily given to us with cutbacks because of the aid that the United States has already allocated to other countries, as U.S. Senator Robert Dole said. We are talking about the rights of the many ruined Panamanians, to whom the world's most powerful country is indebted both legally and morally.

LA PRENSA Article Criticizes Intervention

PA2601043390 Panama City LA PRENSA in Spanish 20 Jan 90 p 10A

[Article by Miguel E. Delgado: "By the Way..."; all quotation marks as published]

[Text] The invasion of 20 December was a costly and unnecessary operation because nothing justifies violently bursting into a sovereign state. Let it be construed as costly in the broadest sense of the word.

The tyranny of former General Manuel Antonio Noriega is the dialectical result of the U.S. military interference in our country and it was precisely this interference that brought down the monster it had created. However, the same way we criticize the Yankee intervention against the heroic Panamenists [followers of the late three-time President Arnulfo Arias] in 1969, we criticize the current intervention, because if we remain as silent as the grave we run the risk of having it boomerang on us in a few years.

We cannot trust those who were mute participants in the 1984 [electoral] fraud or those who filled the pockets of the Torrijos-Paredes-Noriega trilogy with dollars. Yes, we are talking about them, about the Yankee shark. However, we can indeed trust The New York Times, the U.S. press, and U.S. justice, to which any gringo who goes too far on this matter of the invasion will be answerable.

What happens is that the country of Harvard, Yale, and Princeton Universities, and old King's College, does have a Bill of Rights that makes it possible for men like Ramsey Clark and Edward Kennedy, among others, to refuse to be indifferent to misfortune beyond the U.S. borders. We are convinced that the eagle will not defecate on our homeland again because, as usual, U.S. intellectuals are among the friends on whom we can count to help the case of our national independence and democracy.

The Panamanian people must not allow themselves to be numbed by the constant repetition of certain ideas. It is not true that we already have freedom and democracy. No sir, they do not grow spontaneously. We are just beginning to build freedom and democracy, and we will have achieved our objective only after 100 schools of ideology are operating," after the security and military measures are lifted—the day we are no longer afraid to say things such as that naming Rogelio Cruz as attorney general was a mistake because he was an important official in the Torrijos government and President Ricardo de la Espriella's right-hand man; and that allowing Leslie Loaiza to stay on in the so-called Judicial Technical Police is a mistake because this man was one of the most conspicuous members of Madrinan's [Lt. Col. Nivaldo Madrinan] DENI [National Department of Investigations]. Furthermore, since it is a judicial technical police, the one in charge of it should not be a policeman or a nabber, but an employee of the Attorney General's Office, or a prosecutor, for that matter.

Concerning Mr. Loaiza, we will never be able to forget the role he played on 31 October 1987, when the murder of our dear Professor Camilo Perez, Bonafide, [Perez' pen name] was announced. It is not that he said anything, but the television stations should include in their historical reportage the respective news conference so the people can watch Loaiza's attitude concerning the question asked by newsman Cupas and—why not? —watch the efficiency" of District Attorney Quintero.

Speaking of observations, on the second day of the invasion, Dr. Arias Calderon asserted that the Constitution calls the public force the Public Force. That is not true, however. Article 305 of the current Constitution calls the public force the National Guard, and if it is to be given a name according to the Constitution then it should be so designated. We must not indulge in aberrations like Noriega, who had the pineapples to call it the Defense Forces. The decision was blessed in a ruling by the Supreme Court—which always complied with the wishes of the military man in power—ignoring the constitutional name of National Guard. Speaking of Panamanian constitutional doctrine, the name Public Force is just as much, or even more, military as National Guard.

Let us progress and let tranquility return sooner rather than later to the spirit of free and intellectual men. This was the tranquility we lost over 20 years ago and do not seem to have found yet.

Have we not hurt our posterity enough? Are we not living off it, overdrawing the account of our future? What have we given it in return? Enough is enough! If we cannot do otherwise, let us at least leave it a legacy of honor!"—Jose Daniel Crespo.

Editorial Questions Peruvian President's Stance

PA2601013790 Panama City EL SIGLO in Spanish 24 Jan 90 p 4

[Untitled editorial]

[Text] In democratic Costa Rica, the most suitable sounding board on the continent, Guillermo Endara—Panama's constitutional president as a result of an overwhelming majority never before seen in our political history—reiterated once again that our country "will not have another army."

Costa Ricans—who are an unpretentious, peaceful, and hard-working people—took up weapons only when there

was an attempt to ignore their right to self-determination. From then on, for 40 uninterrupted years, Costa Rica has upheld the firm tradition of respect for electoral results to chose its presidents. If there is one thing of which Costa Ricans are proud, it is the way in which they vigorously applaud the losing candidate as he courageously recognizes defeat by giving the winning candidate a fraternal hug. At that moment, passions, differences, and political rivalries are left behind and they all become plain Costa Rican citizens once more. It is therefore worthy to note the noble invitation extended by President Arias to President Endara, for the latter to reconfirm—in a scenario that should be our example—that Panama needs only an ordinary police force to maintain order and ensure respect for the law. We cannot ignore the dishonest war that some countries like Peru have waged against the newborn Panamanian democracy—by resorting to trivial diplomatic arguments that do not fit within the reality we are living. Only the U.S. intervention—which we criticize only for its delay—could have ended the arrogant and bloody satrapy of a coward and antinational dictator. The intervention that liberated us from the narcosaurus [narcosaurio] oppressing us was not only absolutely necessary, it was also a moral commitment the United States could not continue to avoid.

It is unpleasant to see Alan Garcia, who had already opened the doors to the flow of dollars from the DEA and the CIA with the excuse of fighting peasants who are cultivating coca leaves in San Martin and Santa Teresa in alliance with the fierce Shining Path guerrillas. What moral authority does he have to deny us recognition, which is an action that offends the Peruvian people more than the Panamanians? The slap in the face Oscar Arias has just given to the Lima demagogue will have very strong repercussions on the international scene.

Editorial Says 'Pull Out Torrijist Weeds'

PA2501134490 Panama City CRITICA LIBRE in Spanish 23 Jan 90 p 4

[Editorial: "Pull Out Torrijist Weeds"]

[Text] The fast-breaking and important events that shake the Panamanian people's lives nowadays are the result of the criminal actions of former General Manuel Antonio Noriega's ousted regime and of the gangsters who closed ranks around him. Leading participants in the painful past that Panama endured are being excluded from the Panamanian people's demand for justice and rectification. Those who have been forgotten, even though they are directly responsible for the military forces' rise and takeover of public finances, include Omar Efrain Torrijos Herrera and Boris Martinez. During the sinful actions perpetrated on 11 October 1968, they violated the Constitution, rallied the military forces and joyously shared in their actions, supported the illegitimate military decisions, and created the "October process," the results of which are being endured in Panama today.

The activities carried out on that ominous date, when President Arnulfo Arias Madrid was ousted, have been praised and glorified by a unanimous chorus of applauding and fawning opportunists who interpreted the event as an act of redemption that warranted naming avenues, airports, stadiums, and schools after the man who was annointed by bayonets.

The social climbers' submissive and groveling praise allowed the minting of assorted coins with the likeness of the military officer involved in the coup. Even the national radio's broadcasts served as the vehicle for slogans, diatribes, and praise that arrogantly supported the dull officer. Therefore, the rectification government must necessarily stop such servile exaggerations.

The face of a gold braid wearer, whose only achievement was violating the country's Constitution and dissolutely handling the country's affairs—invested with imperial powers for which the Papa Docs and Idi Amins of other latitudes would zealously strive—can hardly represent an example for our youth and children.

The new Republic must withdraw the coins minted with Torrijos' image from commercial and public circulation and remove the lies of some misrepresented deeds from history books, offering our nation's students an accurate account of what occurred on that tragic Friday, 11 October 1968, instead. These measures must extend to all the colliseums, colleges, streets, avenues, and parks, which must bear the names of civilian heroes and freedom fighters who gave their lives in the highest example of devotion and patriotic love.

Never again should there be race tracks, cycling tracks, gymnasiums, swimming pools, offices, schools, hospitals, and kindergartens bearing the name of a tyrant or a date that is an affront to civilians. The government must rectify this soon. To ignore this would probably compel the people to take justice into their own hands, because they are impatient and they refuse to see places where dignity, propriety, and peace must shine still bearing the name of an infamy.

The message has been sent. The national government has the floor. Pull out the Torrijist weeds.

Argentina

Menem Schedule, Cabinet Meeting Topics Reported

PY2601012690 Buenos Aires TELAM in Spanish 1606 GMT 25 Jan 90

[Text] Buenos Aires, 25 Jan (TELAM)—Foreign Minister Domingo Cavallo announced today that President Carlos Menem will tomorrow share a "working breakfast with Uruguayan President-elect Luis Alberto Lacalle, and before the end of February he will meet with Chilean President-elect Patricio Aylwin."

Planning Secretary Moises Ikonicoff reported that an accord in the car-manufacturing sector will be signed on 31 January, adding that the accord will reflect "the commitment of all sectors."

The two officials made these announcements at 1200 at Government House after a Cabinet session in the situation room. The session was not attended by President Menem, who went to Mar del Plata to attend a Latin American cultural meeting.

Cavallo said that "Argentina will issue regulations to reduce the list of products that do not pay preferential tariffs in an effort to eliminate all quantitative restrictions on trade between Latin American countries. [quotation marks as received]

He explained that the ministers and secretaries who attended the meeting, which began at 0930 and ended at almost 1200, analyzed relations between Argentina "and the United States, Europe, and socialist countries; and some commercial issues involving the USSR." Cavallo said that "in all cases the cabinet approved the continuation of our foreign policy, which seeks to bring Argentina closer to the world, a world in which we are trying to promote cooperation and a relaxation of tension."

He added that in the next few weeks "I will tour some major capitals to outline our foreign policy guidelines and to try to make progress on issues such as the negotiations with Great Britain, for which a major meeting has been scheduled for 14 and 15 February in Madrid."

Cavallo mentioned "the negotiations that we are holding with the EEC over a cooperation accord and the negotiations to bring our relations with the United States to an optimum level. The United States has supported our economic policy and our policy in general." He stressed that "these negotiations should result in concrete support from international credit agencies."

Asked whether he will hold a joint meeting on 1 March with the [words indistinct] some reports, he explained that for the time being they will be of a "bilateral" nature.

Even though no official report was released on the subject after the cabinet meeting, the accord within the car-manufacturing sector was also analyzed. Ikonicoff said that a pact will be signed on 31 January "to adopt consensus decisions that will be supported by Congress" with a view toward restructuring that sector. The pact will be signed during a ceremony to be attended by the president, businessmen, and leaders of the Metalworkers Union (UOM) and the Trade Union of Mechanics and Related Automotive Transportation Workers (SMATA).

Defense Minister's Background, Goals Outlined

PY2501204290 Buenos Aires TELAM in Spanish 1031 GMT 25 Jan 90

[Text] Buenos Aires, 25 Jan (TELAM)—Newly-designated Defense Minister Humberto Romero has stated that he will work to solve the internal conflicts within the Army and that under his administration the Defense Ministry will be "much more dynamic than in the past."

Romero stated that within the next few hours he will begin a "thorough analysis of events in the defense sector," where he has served as a secretary. He resigned, however, after a short time in that post.

"We are going to conduct more dynamic activities at the ministry, seeking an interrelationship among the armed institutions and trying to expedite the transformation tasks," he said.

Shortly after his designation last night, Romero was introduced to reporters at the National Congress by Chamber of Deputies President Alberto Pierri and by Justicialist bloc leader Jose Luis Manzano, who predicted the new minister will be "an effective advocate of President Carlos Menem's policy."

Newly-designated Defense Minister Humberto Romero has long been a Justicialist Party militant, with his roots in Corrientes Province where he also ran for governor in 1987. As a candidate of the Justicialist Party he had the support of the Intransigent Party, the Christian Democratic Party, the Transforming Action Party of Correintes (a faction of the Democratic Centrist Union), and the Integration and Development Movement, but could not undermine the strength of the liberals and autonomists of Corrientes.

In 1975 Romero was named president of the Senate bloc of the Justicialist Liberation Front (Frejuli), with Oraldo Britos as his first vice president. At that time Romero was the youngest member of the Senate.

Romero was elected national deputy in the 14 May 1989 elections, although he did not assume office because President Carlos Menem named him Defense Ministry secretary on 8 July, when he was about to begin his work. On 15 August, however, after only 38 days at his post, he tendered his resignation to then-Defense Minister Italo Luder who yesterday stepped down from the ministry.

Tourism, Intelligence Secretaries Replaced

PY2501210890 Buenos Aires TELAM in Spanish 1210 GMT 25 Jan 90

[Text] Buenos Aires, 25 Jan (TELAM)—Presidential spokesman Humberto Toledo this morning confirmed that Omar Fassi Lavalle, the head of the Tourism Secretariat, and Juan Bautista Yofre, the head of the Secretariat for State Intelligence [SIDE], have been replaced.

Commenting on Fassi Lavalle, Toledo stated that Senator Eduardo Menem had said that Fassi's position "cannot be defended." As for Yofre, Toledo said Yofre had told President Carlos Menem that once he had completed the restructuring of the SIDE office, as he had been asked to do, he would leave the job.

Toledo confirmed that Yofre will be appointed Argentina's representative to the Inter-American Development Bank (IDB) and that Hugo Anozarregui, the current SIDE under secreatry, had been appointed SIDE chief.

Joint Power Projects With USSR Announced

PY2501205590 Buenos Aires TELAM in Spanish 1206 GMT 25 Jan 90

[Text] Mendoza, 25 Jan (TELAM)—Soviet Ambassador to Argentina Oleg Kvasov has proposed to Mendoza Governor Jose Bordon a project to analyze joint power generation projects, such as the construction of the "Nihuil IV" hydroelectric power plant using Soviet technology.

Kvasov began a 5-day official visit to the Mendoza Province by meeting Bordon, with whom he discussed the possibility of increasing bilateral trade relations.

Kvasov was accompanied by his wife and Soviet commercial representative Anatoli Timochenko [name as received]. He told journalists that "counterbalanced trade" will allow the Mendoza Province to sell agricultural and industrial equipment to the Soviet Union, and Mendoza will buy antihail equipment from the USSR.

Kvasov said that "7,500 rockets for use against hail have been already sent to Mendoza. He added that in 1989 the USSR bought agricultural and industrial equipment "worth $2.5 million" from Mendoza, while $4-million worth of merchandise "was received" in Mendoza.

Bolivia

Government Denies President Will Go to Chile

PY2501130490 La Paz La Red Panamericana in Spanish 0000 GMT 25 Jan 90

[Text] The government believes that some objectives must be fulfilled before it considers reestablishing diplomatic relations with Chile. He added that the Bolivian maritime claim is one of them.

Foreign Minister Carlos Iturralde made this statement in response to rumors that President Jaime Paz Zamora may attend Chilean President-elect Patricio Aylwin's inauguration. He added that so far neither the president nor the Foreign Ministry has received an official invitation to attend that ceremony.

He said that the Bolivian Government cannot give an opinion or make a decision about a trip by President Paz to Chile. He added that Bolivia does not have diplomatic relations with Chile and that, therefore, a careful study must be made before any official meeting between the governments is considered.

[Begin Paz recording] I would like to say that President Jaime Paz Zamora is a friend of Chilean President-elect Aylwin and also of several ministers-designate of the new administration. Paz and Aylwin were together during Argentine President Carlos Menem's inauguration. [end recording]

Iturralde said that the links between Bolivia and Chile have the highest priority and that the various options are evaluated based on that priority. Iturralde admitted that the Bolivian maritime claim is a basic issue in our relations with Chile.

[Begin Paz recording] One of the main goals of our country is to solve the maritime problem. [end recording]

Iturralde concluded by saying that in the next few days a Foreign Ministry committee will begin to study the maritime issue.

March Interparliamentary Meeting Postponed

PY2501155890 La Paz La Red Panamericana in Spanish 0000 GMT 25 Jan 90

[Relay by Facundo Hurtado from the National Congress]

[Text] It has been confirmed that the interparliamentary meeting that was to be held late this month has been postponed. Senate President Gonzalo Valda said it is impossible to hold the international meeting as scheduled.

[Begin Gonzalo Valda recording] Regarding the North-South antidrug meeting, which will be attended by delegations from the FRG, France, Italy, Spain, the European Parliament, Argentina, Brazil, Mexico, Colombia, Peru, Ecuador, Bolivia, and Venezuela: We would like to report that we decided to postpone the North-South meeting for next March because the U.S. congressmen on the drug committee will not be able to attend the meeting on that date.

We contacted the U.S. ambassador in our country as well as our ambassador in Washington, and we learned that the U.S. members of the drug committee would not be able to attend this important meeting. [end recording]

Colombia

U.S. C-130 Reportedly Overflies Air Space

PA2501185090 Bogota Inravision Television Cadena 2 in Spanish 1730 GMT 25 Jan 90

[Text] The Colombian Defense Ministry is investigating the overflight of a U.S Air Force plane detected yesterday by the Cartagena and Barranquilla control towers. The presence of the U.S. C-130 was detected at 1500, but the crew refused to answer radio calls. After overflying for several minutes the airplane returned to international airspace. This event occurred just when President Bush is preparing a visit to Cartagena.

'Extraditables' To 'Hand Over' Explosives

PA2501224390 Hamburg DPA in Spanish 2101 GMT 25 Jan 90

[Text] Bogota, 25 Jan (DPA)—A businessman released by the drug cartels has said that the drug mafia, which last week recognized their defeat before the Colombian Government, announced today that in the next few days they would hand over the explosives they have hidden.

"The Extraditables," mafiosi wanted by the U.S., chained Juan Camilo Pelaez to a fence at a Medellin house after kidnapping him 15 days ago.

The executive, manager of a car business, told the press that the Medellin Cartel is not holding anyone else as a hostage. This is contrary to the authorities' investigations which indicate that 15 other people are being held by these criminals.

According to Pelaez, the drug traffickers said in a message handed to him that "we prefer a tomb in Colombia to a jail cell in the United States," referring to the extradition of the mafiosi.

"We have freed the last of our hostages. It is unjust to think that all those kidnapped are being held by us. Kidnappings have occurred in Colombia for over 40 years," "the Extraditables" said.

In the communique, the cocaine cartels blame members of the police elite force—a corp especially created to fight drug trafficking and terrorism—of the other kidnappings in the country [words indistinct].

The Medellin Cartel announced some days ago it would release all its hostages and would definitely cancel cocaine shipments abroad in exchange for "guarantees" so its members can legally reenter society.

Armed Forces Commander Responds to FARC Plan

PA2501181390 Bogota Radio Cadena Nacional in Spanish 1200 GMT 20 Jan 90

[Text] Tolima—Armed Forces Commander General Jose Nelson Mejia Henao has asserted at the Tolemaida Melgar Base that FARC [Revolutionary Armed Forces of Colombia] guerrillas could not take power militarily. He also said the Army and police corps were prepared to win the wars against subversion and drug trafficking and that Colombians could rest assured because the Armed Forces were professionally prepared to defend the country's legitimate institutions and confront criminal groups.

Gen. Mejia Henao added that the FARC's goal of gaining power through military means had been defeated and that the FARC guerrillas would continue to fail to attain their goals. He also said the group's 1990 plan was similar to their 1982 plan and that they would probably come up with the same one for 1997. He reminded them that there will be no war if the rebels do not act and the country will be at peace if nobody fights.

Reaffirming that the Armed Forces accepts orders from the national government and agree that laws must be followed, Gen. Mejia Henao said the military institution will continue to fight against subversion and drug trafficking and is prepared to win all wars and return peace to the country, stating: I am absolutely certain that, with the organization of the troop-retraining and instructor-training programs, we will take firm strides forward and will continue to win this war, a war that continues to wound the sentiments of all of us who want the best for Colombia.

Leftist UP Registers Presidential Candidate

PA2501192590 Madrid EFE in Spanish 2243 GMT 24 Jan 90

[Text] Bogota, 24 Jan (EFE)— The Colombian leftist alliance, Patriotic Union (UP), was the first party to register a presidential candidate for the upcoming 27 May elections when it officially registered Bernardo Jaramillo Ossa, 34, as its candidate today.

Prior to Jaramillo Ossa's arrival at the National Registry Office, accompanied by 12 bodyguards, explosives experts from the Secret Police Department checked the building and cordoned off the entrance he was to use.

UP was founded in 1985 and has lost almost 1,000 members and regional leaders in violent attacks. It has also lost most of its representatives in Bogota, including Jaime Pardo Leal, the party founder and a previous presidential candidate who was murdered in 1987.

Colombian Communist Party President Gilberto Vieira and the entire UP Directorate attended Bernardo Jaramillo's registration.

Last week, the State Council, Colombia's highest legal and administrative body, had accredited Bernardo Jaramillo as UP's presidential candidate.

Before making his candidacy effective, Bernardo Jaramillo told EFE he would attempt to become "the will of a wide and democratic sector of the people and an alternative to traditional Colombian bipartisanship." He added: "Our movement wants to transcend the limits of

the UP and obtain followers from other sectors of the democratic left who support new government alternatives."

He did not reject the possibility that UP and the 19th April Movement (M-19), a rebel movement that is making efforts to join the country's legal political system, will present joint electoral tickets in some regions in the country.

"There is nothing concrete on this," he added, "but it could be an alternative if they propose it."

UP President Diego Montana stated that "our party's main objective in these elections is to break the liberal and social conservative hegemony." These two sectors have shared power during Colombia's entire republican period.

"We present our candidate to other political movements with the hope that his candidacy will be backed and that we can create a new and wider force with possibilities of attaining victory," he noted.

Jaramillo's campaign slogan, "Countrymen, give me your hand" [Venga esa mano, pais] appeared in posters throughout Bogota today.

After registering, Bernardo Jaramillo attended the funeral of a fellow party member, Vladimir Escobar, a Soacha municipal official who was shot between the eyes and killed this week. The Soacha municipality is close to Bogota.

Paraguay

National Narcotics Directorate Head Sworn In

PY2501110790 Asuncion ULTIMA HORA in Spanish 24 Jan 90 p 57

[Text] Police Inspector Fulvio Ramon Aldama has been installed as the new Director of the National Narcotics Directorate (DINAR) during a ceremony held at DINAR headquarters. Aldama replaces Police Inspector Inocencio Montiel.

Former Military Industries Director General Marcial David Samaniego has been appointed as DINAR coordinator.

Interior Ministry Under Secretary Hugo Estigarribia Elizeche, who presided over the swearing-in ceremony, said that changes have been made just to "reinforce" the anti-drug struggle, which "is becoming increasingly difficult and cruel." Estigarribia pledged to continue with the task carried out by Montiel, who successfully fulfilled his duties in the area of repression and drug abuse prevention.

Peru

Diplomatic Presence in Panama Will Continue

PY2601025090 Lima Television Peruana in Spanish 0000 GMT 26 Jan 90

[Report on news conference by President Alan Garcia with unidentified reporters in Chimbote on 25 January]

[Excerpts] President Alan Garcia today observed the development of the Chiricas irrigation project near Chimbote, which will allow the irrigation of more than 50,000 new hectares of land. In remarks to the media he lamented and condemned the drug-trafficking case involving a Navy officer. He also praised the decision of the Navy top command to make the case public and place the officer at the disposal of the court.

Regarding Panama, he said that Peru will continue to defend the principle of nonintervention but will maintain its diplomatic presence in that country. [passage omitted]

[Begin recording] [Reporter] President, the discovery of a large amount of cocaine on a Navy vessel has shocked the people in the capital. What information do you have on this matter?

[Garcia] I have been informed by the Defense Ministry that the Navy high command has revealed the presence of more than 200 kg of cocaine hydrochloride on a Navy vessel. I would like to say two things about this. First, this is a shameful act that must be condemned. We are ashamed that an officer in charge of a vessel would be involved in this problem.

The second, and the most important thing, is it was the Navy that informed the Defense Ministry and placed the criminal at the disposal of the civilian courts. It is not like some others in other times who would have concealed the case; who would have tried to hide these things by throwing the cargo overboard and continuing as if nothing had happened. We must stress the way the Navy has handled the situation—and I am proud—in making the decision to put the Navy officer at the disposal of the court.

I read in the newspaper this morning that there are people saying this cargo was uncovered thanks to information from the United States. This is false. Others say that the Navy arrested the criminal on a tip from the DEA which allowed the drugs to be seized. This is not true either. The officers of the ship realized the irregular situation and informed their immediate superiors about it. This is how the criminal came to be placed at the disposal of the civilian court. [passage omitted]

[Reporter] Regarding President Endara's remarks that if Peru does not recognize his presidency then the Peruvian mission will have to leave Panama: What will Peru do about this?

[Garcia] The Peruvian Government runs its international policy based on principles. The principle of nonintervention is based on international law. We have condemned the invasion of U.S. troops and have stated our regret over the fact that a person elected democratically could serve as an instrument for the invasion by assuming a post granted by the invaders. We have rejected this on the basis of legal international principles.

Peru is not the only one who has done so. Senator Edward Kennedy has made a very clear and legal statement on this matter, rejecting what has been called an abusive stand by the U.S. Administration. If we respect these principles, then what we have said is valid. We must defend these principles and this stand will not be changed by any position, threat, or tendency.

What we want is for the Panamanian people, in a generalized position, to ratify and legitimize the government. We believe that a government born from an invasion sets a grotesque precedent for the Latin America of the future.

[Reporter] Will Peru withdraw from Panama, or will it continue with its policy?

[Garcia] Peru will continue to defend international principles and to maintain its diplomatic mission in Panama. [end recording] [passage omitted]

Uruguay

Paraguay's Rodriguez on Reelection, Waterway

PY2501191790 Asuncion ABC COLOR in Spanish 25 Jan 90 p 8

[Report from special correspondent Nestor Desiderio Escobar in Montevideo]

[Excerpt] Asked whether he will seek reelection, Paraguayan President Rodriguez said: "It will be up to the people to decide who will be president as of 1993."

Asked whether he will run for the presidency, he said: "I cannot say. I promised the Paraguayan people that in 1993 I will make every effort to hold free and open elections. It will be up to them to elect the next president."

Rodriguez made this statement after a wreath-laying ceremony at the Artigas monument. He said: "We are following a path that will lead us to the goal that has long been sought by all Paraguayans and by all those with good intentions. It is something that Uruguayans have experienced for so many years: democracy. We want to experience this happiness by granting freedom, democracy, and peace to all Paraguayans."

Asked about the waterway project, Rodriguez said this project is now a reality. He added that the idea of this project came up in August 1989 in Bolivia during the inauguration of Bolivian President Jaime Paz Zamora. Rodriguez said: "Integration can be achieved through our waterways." He added that a Bolivian shipment recently arrived at the Nueva Palmira Port in Uruguay via the Paraguay, Parana and La Plata Rivers. [passage omitted]

Sanguinetti Comments on Talks With Rodriguez

PY2501214790 Asuncion ABC COLOR in Spanish 25 Jan 90 p 8

[Excerpt] Montevideo— Following a private meeting at Government House with Paraguayan President Andres Rodriguez, President Julio Maria Sanguinetti said: "We discussed several bilateral issues, and those dealing with the Americas. We reviewed the advance of democracy on the continent. We also discussed pending projects, among which is the waterway project that will unite Paraguay, Uruguay, Bolivia and Argentina. We are currently discussing how to implement this significant event in the history of our nations."

He added: "We have reviewed all current and future bilateral prospects during this exchange."

Regarding the waterway he said: "We have great support from the IDB [Inter-American Development Bank] which is willing to finance the work that is needed so we can have a more efficient navigation system. Nature has given us great rivers but we must help nature by establishing the proper infrastructure through port installations, and adequate dredging in some parts of the rivers to facilitate navigation."

Regarding the Latin American democratization process, Sanguinetti said that "Paraguay is today one of the most interesting examples. It is being followed with great attention. Uruguay has experienced democracy for many years with periods of exception resulting from divisions among Uruguayans. In the past 5 years we have achieved a reconciliation and this has allowed us to recover our traditional democratic system."

Sanguinetti added that right now Paraguay "is having a democratic experience which all of us have followed, and continue to follow, with great interest. We see that the situation is improving and that the Paraguayan process will certainly be consolidated under President Rodriguez' leadership." [passage omitted]

Sanguinetti Interviewed at Presidential Residence

PY2501144590 Asuncion Red Nacional de Television in Spanish 2324 GMT 23 Jan 90

[Interview with President Julio Maria Sanguinetti by Paraguayan reporter Benjamin Fernandez Bogado at the official presidential residence in Montevideo; date not given—recorded]

[Text] [Fernandez] President Julio Maria Sanguinetti is well-known in Paraguay. He visited Paraguay recently, and next week he is scheduled to receive Paraguayan

President General Andres Rodriguez. What does this mean? A goodbye between two friends, or a public man going into retirement?

[Sanguinetti] No. I would say that in these things there are no goodbyes. Fortunately, this is a characteristic of our political life. It is a continuous coming and going, because we are part of the people. It is all part of public activity that continues to develop, though in stages.

I think this stage has been very important for Uruguay and also for Paraguay. We are now changing governments here, and we are receiving the Paraguayan president with great enthusiasm. This is an opportunity for us to conclude a stage, and an opportunity for the Paraguayan president to contact the new Uruguayan authorities.

[Fernandez] You have been the president of Uruguay for 5 years after 13 years of dictatorship. In this so-called period of transition or democratic consolidation, what are the main enemies of this transition?

[Sanguinetti] Well, periods of transition have their own characteristics in each country, but they also have some common characteristics, from Spain to Uruguay. I think we have to deal more with emotions—or perhaps with psychologies—than with problems. We have to deal first with the hastiness of the incoming government, and then the apprehension or fears of the outgoing. These are the two extremes that must be addressed to inspire confidence so people will learn to coexist and hold dialogue. We will thereby create a situation in which adversaries will learn to coexist; to bring their differing ideas and sit at the same table.

[Fernandez] Perhaps this is true in the political context, but democracy also has social and economic aspects. Is the economy you received, as were the economies of most Latin American countries, a problem for the incipient democracy?

[Sanguinetti] It is a problem, but we often magnify our problems because of our inclinations to ignore reality. This is a flaw of the Latin American culture, of mistaking dreams with reality. Expectations are therefore so unreal that it is impossible to fulfill them.

We inherited a country that was experiencing a very strong drop in the economy. Between 1982 and 1984, the gross domestic product dropped 14 percent. During the past 5 years it grew 15 percent. This means that during the past 5 years we have had no year in which production declined. Salaries in real terms—that is, allowing for inflation—increased by 30 percent. The unemployment rate has dropped from 14 or 15 percent to less than 9 percent.

I think these results are very good as a whole. Well, all the results may not be good. Inflation was higher than 80 percent when we took office. We managed to bring it down to 70 and then 60 percent, and now it has gone back up to almost 80 percent. But of course this inflation has never been out of control. Meanwhile, exports have increased more than 80 percent. This means that the overall economic activity has had a positive balance in Uruguay.

Now, if you speak with people on the street they will tell you that the situation is disastrous. Why? Well, perhaps since they give me credit for a 30-percent salary increase, they may want it to be 50. And this is simply because the government decrees salaries in nominal terms and not in real terms. This salary is based on the number of pesos the worker will receive, but the purchasing power of those pesos can be higher or lower, depending on the prices. And here is where the real salary truly counts.

Well, I think in Latin America we have an excess of willingness. [voluntarismo] We believe in the state's paternalism. No. We should not believe in the miracle of the conjurer who solves the problem of the housewives. The economy depends so much on the state, on the people, the enterprises, the workers, and the unions.

[Fernandez] There are people who either magnify or minimize the economy, but all agree the foreign debt has been the sword of Damocles hanging over our economies. How do you view this?

[Sanguinetti] The foreign debt undoubtedly is one of the heaviest burdens. It is also true that the foreign debt did not come from heaven. We created it: the Latin American governments and the banks that gave us the loans. It is a shared responsibility. It is neither miraculous nor self-generated. The foreign debt also demonstrates the effects of indebtedness. We cannot initiate projects anywhere; we cannot maintain unlimited deficits. Some of these deficits must be financed, which results in more foreign debt.

The tremendous problems for the economies of Latin American are basically the foreign debt and the fiscal deficit. They are issues that normally threaten the stability of economies.

[Fernandez] The state enterprises have suffered losses. There is a privatization wave in Latin America. For example, the issue is the object of discussions in Paraguay. But when we talk about privatizations, we wonder what type of businessmen will conduct these enterprises that are running deficits. We also need a new entrepreneurial mentality for privatization to succeed, do we not?

[Sanguinetti] Look, I think efficiency is the most important thing, more so than discussing privatization. I think the essential thing is efficiency, and to have efficiency, competition is needed. A monopoly, whether private or public, is a bad thing. If you give the monopoly of telephones to a state enterprise, for example, well, they will calmly charge the amount they want. They will remain monopolistic because there is no other telephone company. If you give it to one gentleman, this gentleman will also act in the same manner. Private managers will not act differently from a public manager who has a

monopoly. So, the idea is not to propose false dilemmas: privatization or nationalization. The idea is, for example, to discuss monopoly or competition. To me this is more important. I believe very much in competition, which really leads to efficiency.

[Fernandez] Latin American integration has been a term often mentioned by Latin American presidents lately, and you have also repeated it several times...

[Sanguinetti, interrupting] No, I did not repeat it. I coined the phrase.

[Fernandez] What are the methods to achieve this, and is the objective any more than simple rhetoric?

[Sanguinetti] Look, from what I have heard the rhetorical aspect is history. We have the facts. It is very simple. I can tell you something about Uruguay. Some 20 years ago Uruguay's trade with Argentina and Brazil was about 5 percent, or even less, of its foreign trade. Today it amounts to 35 percent of its overall foreign trade. In some years it has been a little more. This means that our commercial integration is a fact; it is no longer a proposal. Perhaps it will be very difficult to surpass that amount, but it shows that our economies are well integrated with our neighbors, and more so everyday. There is more integration in the infrastructure sector. We have common highways, common bridges, common hydroelectric dams. Within the next few days we will dedicate the riverways, a mechanism of integration with Bolivia and Paraguay, through the use of the La Plata River and the use of our ports. For the first time we will be loading soybeans for Bolivia at the Nueva Palmira port in Uruguay. This is reality and not rhetoric. This is already functioning. This shows me that we have progressed a great deal over the past few years. The idea now is to continue.

[Fernandez] When that agreement for economic integration between Uruguay, Argentina, and Brazil was reached, Paraguay under the Stroessner government was not included. Is there a political reason for this?

[Sanguinetti] No. Absolutely not. It was just a matter of rapprochement. I think we must achieve this gradually through successive rapprochements. This is also part of our culture. We must first act among those who are for integration. It is not global from the start. It is not a matter of having institutions that will encompass us all. We have all sorts of institutions. We have too many offices, secretariats, etc. What really matters is the essence, that the ships come here, that the merchandise circulate, that the citizens be altruistic, that the automobiles pass...

[Fernandez, interrupting] Independent of the types of governments?

[Sanguinetti] Independent of the types of governments, because what matters is the people. Two governments can be very democratic and very hostile, or vice versa. What matters is the communication of the people. And this should take place regardless of the types of governments. In general our peoples share the same affinities; an analogous nature; and they do not carry the prejudices and hostilities that usually exist in the political or financial world. This has always been our policy.

[Fernandez] There is an integration project involving Paraguay, Uruguay, and Bolivia. There was an attempt called URUPABOL [Uruguay, Paraguay, Bolivia], and it has ended. Why did it fail?

[Sanguinetti] Well, I do not think it failed. It was a proposal, an idea, an attitude. I think it basically was a limited idea that tended to ignore that we are between Argentina and Brazil. Well, I cannot think of any integration project in the River Plate Basin or the Atlantic regions without Brazil and Argentina.

[Fernandez] It was apparently an idea to create negotiations among Paraguay, Uruguay, and Bolivia...

[Sanguinetti, interrupting] But it is different. I think that was not the right idea either, because we cannot have a union of the big countries and a union of the small countries. I think that is a bad idea. I believe we must look for flexible mechanisms through which we will continue talking face to face. We must grow accustomed to that. Uruguay has done this with Brazil and with Argentina, and then Brazil with Argentina. We are the smallest country, and we began this Atlantic alliance in a very realistic and pragmatic manner without thinking that we must first establish the institution. Then Paraguay and Bolivia joined. Now these efforts are made for the use of ports, of rivers, and of all outlets. We are seeing a new reality, different from the old colonial River Plate Basin.

[Fernandez] Does Paraguay have a free port in Uruguay? The hope is that Nueva Palmira can be that port. Do you think that...

[Sanguinetti, interrupting] Yes. Uruguay has had the best intentions in the world, and so much time has passed because of the lack of practical formulas. Paraguay can have access to port facilities in Uruguay under special statutes. I have no doubt about this. Some agreement and understanding exists about this among all political forces in the country.

[Fernandez] You have been one of the main spokesmen of the Group of Eight. Regarding the Central American crisis, do you see some possible solution to this problem or do you think that things are deteriorating?

[Sanguinetti] It is improving on one hand while on the other it is deteriorating. It is like a chronically ill patient who must be treated as such. One must not despair if he cannot be cured quickly. One must not give up hope.

I think much has been done on this. Three years ago no one thought that elections could be held in Nicaragua and that there would be an opposition functioning as it is now. And no one thought that in El Salvador there would be two elections under normal political conditions and

that the opposition would also participate. Of course, they are imperfect democracies with conditions that perpetuate the internal violence as a means of survival. But if you look at them as a whole, never in history have there been more democracies in Central America than today. You will probably say there is need for more. Yes, there undoubtedly is. We can see that much progress has taken place and that, as happens in politics, this is not a straight line. Politics is not like geometry. The shortest distance between two points is never a straight line. If you want to go straight, you will never arrive there. One has to follow a roundabout route.

[Fernandez] Does the U.S. invasion of Panama represent a deterioration of the situation or an improvement?

[Sanguinetti] I would say that it has been a backward step: not only the invasion but also Noriega's government. The two things have been a backward step because if a government calls elections and then organizes a fraud, then it is a backward step. And later on, if a foreign invasion is mounted, then it is another step backward.

Therefore, I believe we have two backward steps. Now we cannot remedy what has been done. We have already suffered the backward steps, so now the issue is whether from this time on we can begin to build so there will be progress within the situation; in other words, a cessation of the invasion to allow democracy to enter. I believe both things can be achieved in a short time.

[Fernandez] Another subject affecting Latin America and the United States is drug trafficking. The United States says the sources of production must be eliminated while Latin America says the consumer markets must also be tackled. What is the position of Julio Maria Sanguinetti and his administration?

[Sanguinetti] The United States and Latin America hold different views regarding the drug problem, however, these differences are being solved. I think our viewpoints on this subject are becoming increasingly similar. Until a short time ago the United States did not consider the problem of domestic consumption, it only viewed it in production terms. The United States did not want to admit that production is a result of a demand, which will be met either by Latin America, by Turkey, or by anyone else. Thus, the United States began to understand this reality some time ago.

I remember Mrs. Reagan saying 2 or 3 years ago that the Medellin Cartel was not born in Medellin but on the streets of New York. This means that the United States has changed its view, albeit only slightly. I think that the United States is expecting other countries to adopt a clearly repressive attitude while it is not applying the same approach at home. These attitudes must be modified, however, according to individual circumstances.

Some positive results are being achieved despite the difficult situation. For example, the war against drug trafficking is beginning to bear fruit in Colombia. Its triumph is decisive, just as it would be decisive if it were lost.

[Fernandez] You are a pragmatic man. You have visited the Soviet Union and East European countries to establish trade relations. Do you think a country should open up to international trade without considering ideologies?

[Sanguinetti] Yes, without doubt. This policy was valid in the past and it is more valid today because there are currently no more ideological barriers. I think that at this time the strongest anti-communist movements are in the communist countries. The communists in our countries have never experienced living under a Marxist system. They dream of a utopian system which crumbled in those parts of the world following that system. This is clear. Who would ever have imagined that a Communist Party would be prohibited, as is now happening in Eastern Europe? The Marxist doctrine is definitively being abandoned. This is a great revolution in our times.

First, I think that trade should be carried out despite ideological differences. Second, ideological barriers have currently fallen, as represented by the fall of the Berlin Wall.

[Fernandez] You will meet with Paraguayan President Andres Rodriguez on 24 February. Have you a predetermined agenda or will it be a meeting between friends?

[Sanguinetti] We will discuss our political and economic situations and our common ideas. President Rodriguez will also meet with other Uruguayan authorities, with Congress and Judicial branch authorities, and with the president-elect. This is very important for the two countries.

[Fernandez] Are there specific subjects to be discussed between the two countries?

[Sanguinetti] There are specific and general subjects being discussed now, and others that will be discussed in the future. First we must enhance this atmosphere of friendly dialogue which is respected by everyone. Paraguay has caused great surprise recently and the democratic opening of Paraguay has been one of the important political events of Latin America. I have referred to this subject many times and have written about it in Spanish newspapers.

I have tried to demonstrate the Paraguayan reality, which is not always known abroad. I did this willingly because, in the past, Uruguayan reality was not known abroad. Today, however, we no longer need to explain. We do not need to explain ourselves in Spain or in Italy. However, the Paraguayan situation is still not being understood well abroad. The fact that Paraguay and Uruguay are usually mixed up and confused abroad tends to also confuse the situation. I think there is a positive feeling abroad toward recent Paraguayan

events. There is an atmosphere of hope and expectation toward this country in the whole American continent and in Europe.

[Fernandez] Thank you. What will you do after 1 March?

[Sanguinetti] I will return to the life of a citizen, a journalist, and an activist for my ideas. I intend to continue working in the academic field; I will write books, articles; and give conferences. I will write about democracy and democratic governability, which is an important subject in Latin America. I will write about the framework within which a democracy must consolidate itself and work if it is to become a first-world democracy and not remain a third-world democracy suffering from some drawbacks.

[Fernandez] Have the armed forces changed their attitude toward democracy in Latin America?

[Sanguinetti] Facts are more demonstrative than words. Our armies are increasingly integrated with democratic life. For example, this can be observed in Chile, where present events could not have been imagined 2 or 3 years ago. Who would have thought we would see Aylwin as president and Pinochet as Army commander?

[Fernandez] Thank you.

President-Elect Lacalle Interviewed in Montevideo

PY2501230790 Asuncion Cerro Cora Sistema Nacional de Television in Spanish 2359 GMT 23 Jan 90

["Exclusive" interview with President-elect Luis Alberto Lacalle by Paraguayan reporter Benjamin Fernandez in Montevideo; date not given—recorded]

[Text] [Fernandez] Dr Luis Alberto Lacalle, you are the Uruguayan president-elect. During your visit to Paraguay we talked on Channel 9 and you promised that you would grant us an interview before your inauguration on 1 March.

We are here in your office, and we are learning how to form alliances among various sectors. We Paraguayans are discovering the meaning of the word democracy. It is certainly a magic word for many reasons, yet it is difficult to build a democracy. How will you build democracy in your country as of 1 March with a foreign debt burden and with a 5-year-old restoration process of civil power which obvic usly needs more time for consolidation?

[Lacalle] I believe that the word democracy does not have the same significance all over the world. In the final analysis, democracy depends on the characteristics of each country, its traditions, its idiosyncrasies, and its history. A political institution is not a tree that can be easily transplanted. It is like wine, which does not travel well. Each country has its own situation and, therefore, the word democracy has different connotations in each country.

In Uruguay, democracy has been supported by two traditional parties, the world's oldest [as heard] parties, which will turn 154 years old in 1990. Therefore, the explanation of many of the solutions which we Uruguayans devise can be found in the National Party-Colorado Party political structure. These two parties are deeply rooted inside the national being, like steel bars inside a cement column. They are not visible yet they give strength and at times flexibility to the structure.

That is why the political work in our country is relatively easy. Parties are used to engaging in dialogue. Uruguayan history can be described in terms of the accords between these parties, which mark the major historical events of our countries; and in terms of the constitutional reforms and the peace treaties following the civil wars in the 19th century. These are the landmarks of Uruguayan institutional progress.

Today we are in a similar situation. The outcome of the recent elections was clearly favorable to the National Party, and we won by a historical margin. Since then we have been anxiously trying to create a coalition government as we promised during our electoral campaign.

We won, the ballot boxes gave us the right to exercise the executive branch, but we do not have a majority in Congress. There can be no congressional efficiency without a pact that guarantees a majority in Congress on the basis of an accord on 5 or 6 specific bills. It is impossible to find in-depth solutions if there is no congressional efficiency. If no in-depth solutions can be found it will be impossible to introduce the change that is essential for Uruguay to enter the 21st century.

[Fernandez] Mr President, the consolidation of democracy also depends on the consolidation of an economic system. How does Uruguay manage to stay afloat with a foreign debt like yours?

[Lacalle] We are negotiating our debt. We are exceptional in this respect because, first, Uruguay is a country that has never stopped paying. We have historically fulfilled all our international financial commitments. As an anecdote, I will tell you something that makes Uruguay even more exceptional; in 1920 Uruguay forgave France a $100 million debt. Those were good times.

Uruguay also has important gold reserves. Uruguay is one of the countries with the largest gold reserves in proportion to its indebtedness and economic potential. We are negotiating, hoping that we will be successful, to liberate ourselves from the heavy burden of servicing the debt. We are more concerned about our internal debt. We will have to implement an important, hard adjustment program with two main components: First, a reduction in public spending—this being the least a government can offer its citizens when it announces tax increases, because a government cannot always cover expenses with taxes. Sometimes you have to make cuts. There are symbolic spending cuts and effective spending cuts. We must implement both because the government has to show an attitude of austerity. We must introduce

cuts where possible, particularly in the operation of the state because it is too great. We will have to raise some taxes to level our accounts.

A balanced budget will attack the heart of one of our worst ills: the 85-percent inflation rate we had in 1989. We have no chance of social and economic recovery with that invisible tax called inflation. Inflation attacks all those with fixed incomes, including those on pensions, retirement compensations, and salaries. It is the night thief who visits people to reduce the value of their money.

The country will reconsider investing and saving only after we reduce the inflation rate to normal and internationally accepted levels. We will propose to the country a two-stage program encompassing an adjustment stage and a growth stage.

[Fernandez] Politicians talk a great deal about Latin American integration when they have been elected. What do you think would make possible this integration which is so widely promoted by Latin American presidents?

[Lacalle] In my opinion, we must first forget about rhetoric, theories, and signed documents and start to make integration a reality. Integration will only became a reality for the people on the day a Paraguayan citizen living in Pilar, Encarnacion, or Asuncion can obtain a better salary or a better job opportunity as a result of integration. Integration has so far only been a reality for the foreign ministries, where documents are exchanged, ceremonies are held, and television comes to film the activities, thus producing a surreal integration that exists in the media but not in reality.

Regarding our integration with Argentina, for example, we have proposed to President Menem not to sign any further documents until all the previously signed agreements are thoroughly implemented. To continue holding ceremonies to sign documents that are never implemented is a way of fooling the people; these ceremonies, these documents have no essence, no consistency [carnadura], as Dr Herrera [reference to Lacalle's grandfather Luis Alberto de Herrera, who lived in exile in Paraguay and fought in the Chaco War on the Paraguayan side] liked to say.

What we would like to do at the Foreign Ministry level is incorporate Paraguay and Bolivia into the Brazilian-Uruguayan-Argentine integration agreements. I believe that this is Uruguay's duty and mission, mostly because the River Plate Basin is not complete without the inclusion of our Paraguayan and Bolivian brothers.

I insist that these treaties, resolutions, and attitudes reflect real facts, real life, and that they represent more bread on everyone's table and better job opportunities. The planned waterway is a good example of what I mean. The Fray Bento Port will receive over 100,000 tons this year. The day laborers working at Fray Bento Port and returning home with more money earned honestly at the port, will prove that integration exists. They will be an example of real integration to their families, to their neighbors. They will demonstrate that the people will profit as a result of the interrelationship among nations.

[Fernandez] You have mentioned that you believe Paraguay should join the group made up of Brazil, Argentina, and Uruguay. What do you think about the possibility of Paraguay becoming a member of the Group of Eight? Would Uruguay support this possibility?

[Lacalle] I believe the Group of Eight has had its moment. It is no longer even a group of eight members. It may now be the group of 10 or 11. I believe it was founded under very positive relations among presidents who have already left power. Almost all the presidents who founded the Group of Eight have already left office. I hope the plan for the next meetings will be as flexible as the Group of Eight has been—without becoming institutionalized, without having created a permanent secretariat to assist it, without having purchased a building for its headquarters. Only in this way will it be flexible and easy to manage. I would like very much for the Group of 10 or 11—as long as it is not 13—be as flexible and easy to manage as the Group of Eight, which was created as a consultation group, a group in which personal relations among presidents could really be established. Such a group can only exist if it is always flexible and noninstitutionalized.

[Fernandez] I have another question. Is there a concrete possibility that the Port of Nueva Palmira will become a free port for Paraguayan exports and imports?

[Lacalle] Yes. In a meeting with Paraguayan businessmen a few days ago, we discussed this topic and urged them to take the necessary legal measures toward the concession of a free Paraguayan port—be it in Palmira, Montevideo, or anywhere else. We are urging the Paraguayan private sector to work hard to achieve that.

[Fernandez] Will you meet with Paraguayan President Andres Rodriguez on 25 January?

[Lacalle] Yes, I will be happy to see him. With this meeting I will finish a round of meetings with presidents, including Collor de Mello of Brazil, Argentine President Carlos Menem, and finally Paraguayan President Rodriguez.

[Fernandez] Regarding Latin American topics, the drug-trafficking issue is a sensitive subject between the United States and Latin America. What will be your government's point of view on this issue?

[Lacalle] We think there are two or three different positions regarding this subject. The Latin American, or Ibero-American countries as we like to call them, are doing their part by eliminating crops and repressing drug trafficking. Uruguay will probably approve some new banking regulations to change the banking-secrecy

system if we suspect that the Uruguayan financial system is being used to launder dollars.

There are other aspects. Drugs exist because they are consumed by the United States, the same country that exports the acetone and other chemical components used to manufacture drugs. This means that we must carry out a joint effort, not only a one-sided effort by the Ibero-American countries.

[Fernandez] The Sanguinetti administration has also played an active role in the Central American crisis. Will your administration continue with this policy?

[Lacalle] I think you are referring to the Group of Eight. Sanguinetti, given his prestige and talent, played a remarkable role. I think that collective decisions were made in the Central American crisis rather than individual ones by either a state or a president. As long as the group is willing to help solve the crisis, I think we will try to play the role not of firemen but of fire preventers.

[Fernandez] What are the three great challenges for Latin America that you see as the future president for 5 years, beginning 1 March?

[Lacalle] Given the current circumstances, I would say that one of the challenges would be to recover our importance in the international scene. Given the events in Eastern Europe, we have been set aside on the international scene. This will require a large public relations effort.

Another challenge will be to settle the two aspects of the foreign debt problem: the banking aspect, in which one owes so much at such an interest rate under such terms; and the other aspect, which is to create the conditions within each country to prevent the foreign debt problem from occurring again. If our debt were forgiven today, and if we did not modify our systems regarding work, investment, state interventionism, and the cultural conduct of businessmen and workers, we would soon be indebted again because our indebtedness is caused by our organizational structure.

Finally, the last challenge would be in the field of education.

[Fernandez] The name Luis Alberto Herrera carries great significance for Paraguay. Will there be preferential treatment for Paraguay by your administration?

[Lacalle] This ring I am wearing was worn by Luis Alberto Herrera for 70 years. He wore it during the Chaco War. It also represents my commitment, in which Paraguay occupies an important part. It is my second motherland. I love my land [previous four words in Guarani].

[Fernandez] Thank you. Where will you meet with President Rodriguez? At Maldonado beach?

[Lacalle] We will hold an official meeting in his hotel, and I expect we will hold a more friendly meeting in Maldonado.

[Fernandez] Thank you.